



City of Tukwila
**Finance and Governance
 Committee**

- ◆ Zak Idan, Chair
- ◆ Kathy Hougardy
- ◆ Cynthia Delostrinos Johnson

<u>Distribution:</u>	
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D. Quinn	L. Humphrey
T. McLeod	

AGENDA

MONDAY, APRIL 26, 2021 – 5:30 PM

HAZELNUT CONFERENCE ROOM
 (At east entrance of City Hall)

**THIS MEETING WILL NOT BE CONDUCTED AT CITY FACILITIES
 BASED ON THE GOVERNOR'S PROCLAMATION 20-28.**

**THE PHONE NUMBER FOR THE PUBLIC TO LISTEN TO THIS
 MEETING IS: 1-253-292-9750, Access Code 973303373#**

**Click here to: [Join Microsoft Teams Meeting](#)
 For Technical Support during the meeting call: 1-206-431-2179.**

Item	Recommended Action	Page
1. BUSINESS AGENDA		
a. A Conservation Futures Tax (CFT) grant application for property acquisition on South 115th Street. <i>Rick Still, Parks & Recreation Director</i>	a. Committee consideration/ decision.	Pg.1
b. An ordinance to issue debt for General Fund portion of the Public Works Shops project. <i>Vicky Carlsen, Finance Director</i>	b. Forward to 5/10 C.O.W. and 5/17 Regular Mtg.	Pg.27
c. Continuation of discussion on prioritizing service level increases. <i>Vicky Carlsen, Finance Director</i>	c. Forward to 5/10 C.O.W. meeting.	Pg.47
d. Monthly General Fund update. <i>Tony Cullerton, Deputy Finance Director</i>	d. Discussion only.	Pg.59
2. MISCELLANEOUS		

Next Scheduled Meeting: *May 10, 2021*



The City of Tukwila strives to accommodate individuals with disabilities.
 Please contact the City Clerk's Office at **206-433-1800** (TukwilaCityClerk@TukwilaWA.gov) for assistance.



INFORMATIONAL MEMORANDUM

TO: Community Development & Neighborhoods Committee
FROM: Rick Still, Parks & Recreation Director
CC: Mayor Ekberg
DATE: April 27, 2021
SUBJECT: CFT Grant Application for Property Acquisition on S. 115th Street

ISSUE

Seeking permission to apply for King County Conservation Futures Trust Tax Levy (CFT) grant funding to purchase property on South 115th Street to expand the Duwamish Hill Preserve.

BACKGROUND

The purpose of this memorandum is to seek permission to apply for King County Conservation Futures Trust Tax Levy (CFT) funding for the acquisition of property on South 115th Street to expand Duwamish Hill Preserve (DHP). The addition of this property prepares the City for Phase 3 implementation of the City Council approved DHP site master plan. The application was due March 2021. The City provided a support letter as part of Forterra's application for this purchase, however, the CFT review committee believed that if the City was co-applicant it would make the application stronger for a positive recommendation for funding.

The property under consideration for acquisition is located on S. 115th Street adjacent to Duwamish Hill Preserve. The accompanying grant documents show the property is 0.35 acre.

DISCUSSION

The purchase of this property meets the recommendations in the City Council adopted 2007 DHP ("Duwamish Riverbend Hill") Master Plan. This acquisition would initiate the first steps to complete the Phase 3 development (road realignment).

The CFT grant program is a 50% match grant. As part of the application, a waiver of the 50% match has been requested. Forterra will continue to partner with us to seek King County Levy funds if the waiver is not secured. Staff would like to partner with Forterra on this application and if necessary, the King County Levy grant application. Together we would continue to look for additional funding opportunities to secure the match difference if the other opportunities are not successful.

FINANCIAL IMPACT

The match for the grant would be approximately \$182,500. It is anticipated that other funding sources would be obtained to minimize direct costs to the City or the grant funds could be returned.

RECOMMENDATION

The Council Committee is being asked to consider permitting staff to apply for CFT grant funding to purchase property on S. 115th Street to expand the Duwamish Hill Preserve.

ATTACHMENTS

- A. CFT Grant Application

Project Name: Duwamish Hill Preserve Addition #2	
Project Location: Tukwila <i>(fill in City Name or "Unincorporated King County")</i>	
Applicant's Agency or Organization Name: Forterra NW	
Proposed Project Acreage: .36 acres <i>(Identify the acreage targeted under this year's funding request)</i>	CFT Funding Request: \$365,000 <i>(Dollar amount of CFT award requested)</i>
Total Project Acreage: 10.87 <i>(Estimate total acreage at project completion for multi-year projects)</i>	KC PL Funding Request: <i>(King County projects only: dollar amount of KC Parks Levy requested)</i>
Seeking a match waiver? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If yes, applicant must submit "Supplemental Form #1.)</i>	Total Funding Request: \$365,000 <i>(Sum of CFT + KCPL requests above)</i>
Type of Acquisition(s): <input checked="" type="checkbox"/> Fee Title <input type="checkbox"/> Easement <input type="checkbox"/> Fee or easement TBD <input type="checkbox"/> Other:	
King County Council District in which project is located ¹ : District 8	
WRIA/watershed in which project is located ² : WRIA 9 – Duwamish-Green	

APPLICANT CONTACT INFORMATION

Contact Name: Ryan Walker, Forterra	Phone: 206-204-8067
Title: Director, Conservation Transactions	Email: rwalker@forterra.org
Address: PO Box 4189, Seattle, WA 98194	Date: 3/2/2021

SECTION 1. PROJECT SUMMARY

Please summarize your project in the space below.

Duwamish Hill Preserve (the "Preserve") is a 10.5-acre park owned by the City of Tukwila, managed by its Parks and Recreation Department. This project would expand the Preserve by adding .36 acres to the southeastern portion of the property at the intersection of S 115th St. and 40th Ave. S. The targeted acquisition includes two parcels held by one owner (the "Targeted Parcels"). The Targeted Parcels are currently vacant with significant invasive vegetation cover and were former construction storage lots. The acquisition would serve to: 1) protect from potential development near the Preserve gateway; 2) buffer the Preserve from adjacent residential uses; and 3) allow for pursuit of Phase III of the Preserve Master Plan, likely including expansion of the gateway area, re-alignment of S 115th St., and restoration and native vegetation re-establishment representative of historic site conditions.

The owner put the Targeted Parcels on the market in 2016, without success. The owner remains interested in selling and is represented by a real estate agent. Should the acquisition be successful, the City of Tukwila ultimately intends to take ownership of this new acquisition and manage it as part of the Preserve.

Duwamish Hill Preserve opened to the public in September 2010. It is a heritage site of significance in Puget Sound Salish cultural traditions and it is managed as an open space preserve devoted to the interpretation of the site's Native American heritage and other aspects of Duwamish River Valley natural and cultural history. Restoration efforts to remove non-native plants and build interpretive trails continue to attract tremendous public and private support for the Preserve. Partners have included Bank of America, REI, Starbucks, Boeing,

¹ King County Council District information here: https://www.kingcounty.gov/council/councilmembers/find_district.aspx

² Find WRIA ("watershed resource inventory area") here: <https://www5.kingcounty.gov/kcgisreports/wrialookup.aspx>

University of Phoenix, Green River Community College, Friends of the Hill, local Girl Scouts, and Tukwila School District students.

SECTION 2. OPEN SPACE RESOURCES

- Before answering Sections 2 & 3, please review “Application Evaluation Criteria.”
 - Please mark an “X” in the checkbox for each criterion that applies to your project.
 - For each criterion you marked, briefly describe in the space below how the project would meet that criterion. If relevant, consider the landscape setting and/or planned restoration actions.
- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Wildlife habitat or rare plant reserve | <input checked="" type="checkbox"/> F. Urban passive-use natural area/greenbelt |
| <input checked="" type="checkbox"/> B. Salmon habitat and aquatic resources | <input checked="" type="checkbox"/> G. Park, open space, or natural corridor addition |
| <input checked="" type="checkbox"/> C. Scenic resources | <input checked="" type="checkbox"/> H. Passive recreation opportunity in area with unmet needs |
| <input checked="" type="checkbox"/> D. Community separator | <input checked="" type="checkbox"/> I. Project that seeks to redress historic disparities in access to open space in opportunity areas |
| <input checked="" type="checkbox"/> E. Historic/cultural resources | |

A. Wildlife habitat or rare plant reserve: Duwamish Hill Preserve includes rare rocky bald habitat that supports a remnant assemblage of plants, including many culturally significant species. This project is an opportunity to reestablish site conditions on the southeastern side of the bald that that support native riparian moisture-tolerant species. The Preserve supports Alaska rein orchid which is a rare species in urban settings. This orchid has naturally increased in abundance as portions of the Preserve are restored. In addition, osprey, bald eagle, blue heron and river otter are present in this section of the Duwamish River.

B. Salmon habitat and aquatic resources: Located at Duwamish RM 7, the Targeted Parcels are adjacent to shoreline portion of the Preserve previously identified for priority projects for WRIA 9 (Project Duw-6 and Duw-7). Acquisition of the Targeted Parcels provides the opportunity to pursue Phase III of the 2007 Preserve Master Plan, particularly a realigned road. It is necessary to realign South 115th St. in order to restore the riverfront and ultimately provide river access, possibly with beach development. Riverfront restoration opportunities include removing rip-rap and invasive plants, and reshaping and revegetating the Preserve’s ~700 feet of shoreline to provide refugia for both juvenile and adult salmon.

C. Scenic resources: The Preserve offers views up river of Mt. Rainier and downriver of Elliott Bay and downtown Seattle. The Preserve provides an opportunity to experience natural and cultural resources within an urban setting. Acquisition of the Targeted Parcels would protect them from potential development that may intrude on the gateway to the Preserve and views towards the riverfront. In addition, acquisition would allow for cleanup of the Targeted Parcels and add area for public enjoyment.

D. Community separator: Acquisition and restoration of the Targeted Parcels ensures a critical visual buffer between the Preserve and surrounding residential uses. The Preserve is at the northern entrance to the Poverty Hill and Allentown residential neighborhoods and serves as a separator from the industrial businesses.

E. Historic/cultural resources: The establishment of Duwamish Hill Preserve created one of the Puget Sound region’s few public open space properties to honor and interpret Native heritage. The Preserve is a site of significance in Native American cultural traditions for its association with Southern Puget Sound Salish oral tradition and mythology. The Preserve’s 160-foot hill is in the center of the landscape associated with stories known as the “Epic of the Winds.” Through consultation with the Muckleshoot and Duwamish tribes, this hill has also been identified as a strategic lookout and vision quest site. The Targeted Parcels are part of Phase III of the Preserve’s Master Plan and its acquisition would allow for enhanced interpretive markers. While the property is not yet listed in the National Register of Historic Places, it is potentially eligible for listing as a contributing resource to the Duwamish River Valley Traditional Cultural Property district. This site is also associated with the 40 million year-old outcropping of bedrock known as the “Tukwila Formation”.

F. Urban passive-use natural area/greenbelt: Duwamish Hill Preserve is identified as a Special Use Park within Tukwila’s 2020 Parks, Recreation, and Open Space Plan. The Preserve was identified as the fourth most visited park, according to the Plan survey, with respondents identifying uses such as gathering with family and friends, exercising, walking with dogs, getting out in nature, and enjoying the outdoors. This project expands the

10.51-acre Preserve by .36 acres. The parcels are a targeted addition of the Preserve Master Plan and would provide the ability to complete Phase III, which would enhance access and use of the Preserve and the Duwamish River shoreline.

G. Park/open space or natural corridor addition: Duwamish Hill Preserve opened to the public in September 2010. Acquisition of the Targeted Parcels is critical for enhancing the visual and natural visitor experience to the Preserve. This project removes the threat development immediately adjacent to the park gateway along South 115th St. and provides the ability to enhance the Preserve gateway and riverfront access through Phase III of the Preserve Master Plan.

H. Passive recreation opportunity/unmet needs: Neighbors have long visited the Preserve to enjoy views of Mount Rainier and the Seattle skyline and experience nature close to home. The Preserve increasingly serves as Tukwila's outdoor classroom for cultural and environmental education and is incorporated into the curriculums for local schools. The Preserve provides important opportunities for residents to enjoy open space and explore natural and cultural heritage through traditional stories, place names, and environmental awareness. Acquisition of the Targeted Parcels will add to opportunities on the Preserve.

I. Project that seeks to redress historic disparities in access to open space in opportunity areas.

The Preserve is devoted to the interpretation of the site's Native American heritage and other aspects of Duwamish River Valley natural and cultural history. Site's highlighting the indigenous culture have historically been less prominent in park and open space systems. Acquisition of the Targeted Parcels help expand upon natural and cultural resources protection of the Preserve. Furthermore, the Preserve directly serves the ethnically diverse, working class community of Tukwila, where 17% of the residents in this census tract are at or below 200% of the Federal Poverty Level and 60% of the students at nearby Tukwila Elementary qualify for free or reduced-price meals. Both measures are high compared to most of King County. Life expectancy is low compared to most of King County. Finally, while the Targeted Parcels are adjacent to existing open space in the Preserve and near other parkland, the neighborhood is on the lower end of tree canopy percentage compared to most of King County. Acquisition of the Targeted Parcels further enhance existing open space and protect the property from development that would potentially further increase impervious cover.

SECTION 3. ADDITIONAL FACTORS

- Please mark an “X” in the checkbox for each criterion that applies to your project.
- For each criterion you marked, briefly describe in the space below how the project would meet that criterion. If relevant, consider the landscape setting and/or planned restoration actions.
 - A. Educational/interpretive opportunity
 - B. Impact to open space resources
 - C. Feasibility: ownership complexity/willing seller(s)/community support
 - D. Describe any public or private partnerships that will enhance this project
 - E. Is the property identified in an adopted park, open space, comprehensive, or community plan?
 - F. Transferable Development Rights (TDR) participation

A. Educational/interpretive opportunity: Tukwila School District educators began using the Preserve as an outdoor classroom soon after the Preserve was acquired. Since 2008, the Preserve has been incorporated into school curriculum from elementary to high school levels. In many years the Preserve has been integrated into school district day-of-service opportunities.

Implementation of the Preserve’s Master Plan includes the development of interpretive content for the site. Signage, kiosks, and other interpretive media were completed on Phase I, the outcrop and entranceway, in 2011. An adjacent 1.9 acres was subsequently acquired and a cultural garden was installed, along with emergent wetland restoration, and woodland planting in 2016. This constitutes Phase II of the Preserve Master Plan and also contained extensive signage and interpretive content. Acquisition of the Targeted Parcels would allow for pursuit of Phase III and additional interpretive content and restoration opportunities.

Interpretive content is based on input from Duwamish and Muckleshoot tribal members, educators, and community members, as well as published and archival documentation. Interpretation highlights Native stories and place names, as well as the contact era, early non-native land claims, river history, geology and habitat. The Preserve provides an opportunity for visitors to understand the world inhabited by Southern Puget Sound Salish people prior to contact with non-Indians, as well as the cultural values of the contemporary Muckleshoot and Duwamish people, represented by epic storytelling and traditional geographic and environmental knowledge. The Preserve also offers an opportunity to talk about the importance of preserving Native American cultural sites in Washington, both in rural areas and in our rapidly changing urban landscapes.

B. Impact to open space resources: The owner of the Targeted Parcels has held the property for many years as an investment before ultimately putting up for sale. Forterra is currently negotiating an agreement with the owner. Further development of the property would significantly impact the visual experience for visitors to the Preserve. It would also reduce opportunities to reestablish natural conditions on the Targeted Parcels, enhance the Preserve gateway through realignment of the road, and reduce potential to enhance the shoreline habitat along the Duwamish River.

C. Feasibility: ownership complexity/willing seller(s)/community support: Both parcels proposed for acquisition are owned by one entity who is currently willing to enter into an agreement with Forterra to sell the fee-simple interest in the properties for fair market value as determined by an MAI appraisal. There is significant community, business and public support for acquisition of these properties for addition to Duwamish Hill Preserve. In addition, the City of Tukwila has provided extensive resources through land management and well as financial contributions (\$250,000 towards the prior addition), to maintain the Preserve as an important part of the Tukwila park system and cultural site for the South Puget Sound Salish people.

D. Describe any public or private partnerships that will enhance this project: Over the years, numerous individuals and organizations have joined the effort to restore the Preserve and hundreds of community volunteers have worked to remove trash and invasive species, and to plant and monitor native plants. Acquisition of the Targeted Parcels would provide yet another opportunity to remove trash and invasive species, and restore the site through installation of a bioretention swale and other green stormwater infrastructure.

Since 2006, the Preserve has been a site in the Duwamish Alive! partnership that includes the City of Seattle, King County, the Port of Seattle, Forterra, Duwamish Clean-up Coalition, People for Puget Sound, Green Seattle Partnership, EarthCorps, and the Nature Consortium; entities that work together to raise awareness and appreciation for the Duwamish River and improve its habitat for wildlife, fish and people. Local businesses and educational institutions have committed to the Preserve's restoration by providing volunteers and grant resources, including: Southcenter REI, Interurban Starbucks, Boeing Corp employees, a local Bank of America branch, Alaskan Copper, Tukwila Historical Society the University of Phoenix-Tukwila campus, Green River Community College, Tukwila Community School Collaboration, the Tukwila School District, Inner City Outings, local Girl Scout troops, Friends of the Hill, Forterra members and Tukwila community members. This level of involvement from so many different sources has greatly increased the citizen ownership of the site. The community is proud to steward the Preserve.

E. Is the property identified in an adopted park, open space, comprehensive, or community plan? Yes.

Duwamish Hill Preserve is identified as a Special Use Park within Tukwila's 2020 Parks, Recreation, and Open Space Plan.

SECTION 4. PARCEL DETAILS

- A. Please provide information about the parcels that are current funding targets, as shown in red on your maps.
- *No need to list information on the future potential funding targets that are shown in yellow on your maps.*
 - *You can find this information on the “Assessor’s Report/Property Details” accessed through King County iMap (<https://gismaps.kingcounty.gov/iMap/>). Add more rows if needed.*

Parcel Number (do not use hyphen, e.g., 1234567890)	Acreage	Zoning ³	Assessor’s “Appraised Land Value” ⁴	Assessor’s “Appraised Improvements Value”	Estimated Cost to Purchase Desired Property Interest	Property Interest Sought (fee, easement, or TBD)
1023049072	.23	O	\$170,000	0	\$200,000	Fee
3351400005	.13	O	\$100,000	0	\$125,000	Fee

- B. **How did you estimate the cost to purchase parcels?** (e.g., appraisal, estimate from assessor’s values, etc.).
The Targeted Parcels were previously listed for sale at \$325,000 and we estimate that the property will appraise at this value or below, based on an extensive desktop appraisal exercise completed by Forterra using local comparables.
- C. **Describe project readiness, urgency, and potential to phase funding over multiple years.**
Forterra is working to acquire the Targeted Parcels, which have not been used regularly for ten years or more. The property is overgrown. Forterra is currently in contact with the seller and, after forging a relationship, believes that we can come to a deal on purchase.

While Forterra is the applicant, it is intended that the Targeted Parcels will be transferred to the City of Tukwila post-closing to be integrated into management of the Preserve. It is anticipated that Forterra, the City, and other partners will work in concert to acquire funding for cleanup of the property in the future and to pursue Phase III of the Preserve Master Plan.

- D. **Are any parcels enrolled in the Current Use Taxation program, a voluntary conservation program?**⁵
No

SECTION 5. PROPERTY USE, STEWARDSHIP, AND MAINTENANCE

- A. **What is the intended future use of the property (e.g., passive recreation, habitat restoration, timber management, agricultural production)? Will this land be available for public use?**
The intended use of the property is as a portion of the Duwamish Hill Preserve. In line with the Preserve Master Plan, the Targeted Parcels will ultimately be a location for public use passive recreation, including walking and connecting with nature. Invasive plant removal and site cleanup will precede public use. Habitat restoration on the Targeted Parcels, as well as on adjacent land currently in the Preserve, will likely occur, including native planting and green stormwater infrastructure installation.
- B. **How will the property be stewarded and maintained, and using what funding? Does the property lend itself to volunteer stewardship opportunities or community participation?**
While Forterra is the applicant, it is intended that the Targeted Parcels will be transferred to the City of Tukwila post-closing to be integrated into management of the Preserve. Forterra would expand its stewardship easement to encompass these properties. Forterra oversees restoration and development efforts for the Preserve, in collaboration with the City of Tukwila. Forterra continues to focus on raising funds to support education programs, from sources such as King Conservation District, and conducts regular work parties to continue restoration efforts and maintenance.

³ Please explain the zoning designation if it is hard to understand (usually most important for urban zoning designations)

⁴ Parcels enrolled in Current Use Taxation for “Forestry” may not have a valid “appraised land value” or acreage.

⁵ Visit www.kingcounty.gov/incentives, and use the “Interactive Map” to check enrollment for your target parcel(s).

The property lends itself well to volunteer stewardship opportunities. Volunteer efforts began soon after initial Preserve acquisition and have continued since. Volunteers have provided a significant portion of the labor associated with removing invasive plants, replanting the Preserve with native species, site planning and development. Community support for the Preserve is strong, as noted above, and reflected in Friends of the Hill work parties that generate more than 1,500 volunteer hours a year.

C. What are the biggest challenges you anticipate in managing this site?

The most significant challenges will be those faced on any public site and currently on the Preserve. Namely, trash removal and deterrence of prohibited uses. Given the extensive partnerships in managing the current Preserve it is not anticipated that acquisition of the Targeted Parcels will change current management protocol at the park. Given the overgrown nature of the Targeted Parcels, it is likely that extensive removal of trash and invasive plants will be the initial management activity before any further restoration and/or public access can occur.

D. Are there any structures on the target parcel(s)? Explain the plans for the structures (typically demolition is needed to comply with CFT requirements).

There are no structures.

E. Do you intend to hold out any part of the site for non-CFT-eligible activities, such as intensive recreation or retaining a structure on a fee purchase? (Funds used for that purchase can't count as CFT match.)

No

SECTION 6. PROJECT BUDGET

FUNDING REQUEST

	REQUESTED AMOUNT
CFT Funding Request	\$365,000
KC Parks Levy (PL) Request <i>(county projects only)</i>	\$
TOTAL FUNDING REQUEST	\$365,000

TOTAL ESTIMATED PROJECT COSTS

Use this table to estimate the total cost to purchase the parcels that are the current funding targets

ESTIMATED PROJECT COSTS	ESTIMATED DOLLAR AMOUNT OR RANGE
Total property interest value	\$325,000
Title and appraisal work	\$9,000
Closing, fees, taxes	\$12,000
Relocation costs	\$0
Hazardous waste/environmental reports	\$4,000
Directly related staff, administration and legal costs	\$15,000
TOTAL ESTIMATED PROJECT COSTS	\$365,000

MATCH

What type of match will you be providing?

- Cash match
- Land match⁶
- Match waiver requested (must submit Supplemental Form #1)

If you are providing cash match, please complete this table.

Cash Match – Secured (list sources)	Date Funding Secured	Dollar Amount
Cash Match – Still Sought (list sources)	Date Funding Anticipated	Dollar Amount
King County Parks Levy (if unsuccessful CFT match waiver)	Q1, 2022	\$182,500

If you are providing land match, please complete this table (add rows if necessary).

Land Match Parcel #	Value	Already acquired?	Details (funding source, timing, etc.)
		<input type="checkbox"/> Yes <input type="checkbox"/> No	

OTHER FUNDING

Do you have any funding that will contribute to the purchase, which you have not already listed above?
Not at this time.

⁶ Land match is described on Page ii of “Instructions and Conditions.” Typically this is donated land, or the cash value of recent open space purchases. Land match should be directly linked to the property under application and meet CFT conditions.

SECTION 7. BOND FUNDING POTENTIAL

- *These factors may make projects more competitive for bond funds (some projects may be a better fit for annual funds).*
 - *Please mark the checkboxes for the criteria that apply to the current target parcels.*
 - *For each criterion you marked, briefly describe in the space below how the project would meet that criterion.*
 - A. Acquisition can occur in late 2021 or early 2022
 - B. Transaction is highly likely to be successful
 - C. Match is secured, or will be secured by late 2021 or early 2022
 - D. Property purchased in fee will not be leased or surplus/sold for private benefit
- A.** Acquisition is anticipated no later than late 2021.
- B.** Forterra anticipates a successful transaction and would estimate a better than 50% chance of success.
- C.** Forterra is applying for a match waiver. If not successful, Forterra will apply for King County Parks Levy funding in late 2021.
- D.** The Targeted Parcels will be purchased by Forterra and transferred to the City of Tukwila at closing or shortly thereafter. The property will not be leased or surplus for private benefit.

SUPPLEMENTAL FORM #1: MATCH WAIVER/ OPPORTUNITY AREA DETERMINATION

ONLY complete Supplemental Form #1 if you request a match waiver, requiring a determination of whether your project is in an opportunity area.

Please take four actions:

1. Review the guidance online at www.kingcounty.gov/CFTmatchwaiver.
2. Request a Data Report for your parcel with information that may help you complete this Supplemental Form; contact CFT Coordinator (email Ingrid.Lundin@kingcounty.gov).
3. Begin or continue community engagement around this project. Please focus on engagement with the local neighborhood or population that will be served by the project (outreaching to individuals and/or community-based organizations).
4. Attach two letters of support for the project, ideally from community-based organizations.

When you meet with the Committee, please be prepared to talk about how your local government is working on equitable community development and preventing displacement of residents in the neighborhood where you propose to add greenspace.

1. On the data report, did you automatically qualify as an opportunity area under Method 1, meeting all three criteria? Yes No
2. Please discuss why you believe your project location qualifies as an “opportunity area” and should be granted a match waiver.
 - *All applicants complete this question, even if you marked “yes” in Question 1 above.*
 - *Use information in the Data Report or other relevant information.*
 - *Discuss how people in this neighborhood experience limited open space access and demonstrated hardships (e.g. income, health, social/demographic, environmental factors, etc).*

The King County data report qualifies this project in both the Income and Hospitalization Rates criteria, but does not qualify it for Access to Open Space because it is adjacent to existing open space – the current Duwamish Hill Preserve. It is worth noting that Duwamish Hill Preserve serves as the hub of open space along this section of the Duwamish River. Along with the nearby Interurban Trail, there is a critical mass of open space facilities developing along the Duwamish to highlight cultural and natural resources, such as Duwamish Gardens Park. An addition to Duwamish Hill preserve, in the form of the Targeted Parcels, further expands existing open space along this important corridor.

Additional information was identified that qualifies this request for a match waiver. This property is in a census tract where 17% of households are at or below 200% of the Federal Poverty Level. The census tract is within the top 1/3 of all census tracts in the county in the 68th percentile. Tukwila Elementary, the local elementary school, is in the top 1/3 percentile for utilization of Free & Reduced Price school meals countywide. Of the student body, 60% are eligible for free or reduced lunch. Life expectancy is low compared to most of King County as the census tract falls within the lowest 1/3 percentile at an average of 78.7 years. The Preserve is also within vicinity of populations with limited English speakers, which is in the in the highest 1/3 of the county percentiles (73rd percentile). The population of the census tract with Duwamish Hill Preserve is comprised of 74% people of color, which places it within the 97th percentile – one of the highest county-wide.

While the Targeted Parcels are adjacent to existing open space in the Preserve and near other parkland, the neighborhood is on the lower end of tree canopy percentage compared to most of King County. Acquisition of the Targeted Parcels will enhance open space and protect the property from development that would potentially further increase impervious cover.

Using the RCO match reduction tool qualifies Tukwila under the Underserved Populations category – identified as “A city, town, tribe, or special purpose district with a median household income less than \$66,174 (the state median household income), and a project in a census block group where the median household income is less than \$46,322 (70 percent of the state median household income).”

Also using the RCO match reduction tool, the geographically close Muckleshoot Tribe is qualified under both the Underserved Populations and Communities in Need categories. The Communities in Need category is defined as “A city, town, tribe, or eligible special purpose district with 20,000 residents or fewer and a median household income less than \$66,174 (the state median household income).” Acquisition of the Targeted Parcels is intended to enhance the Duwamish Hill Preserve, a park protecting South Puget Sound Salish cultural resources and access, along with Tribal education.

The CDC’s Social Vulnerability Index puts Census Tract 263, containing Duwamish Hill preserve, in a moderate to high class of vulnerability. The WA State Health Department has identified this census tract as a level 10/10 for Environmental Health Disparities. This includes a 10/10 for Environmental Exposures, 10/10 for Environmental Effects, 10/10 for Sensitive Groups, and a 7/10 for Socioeconomic Factors.

The county’s 2020 Equity Impact Awareness Tool is used to track and inform decisions regarding COVID-19 and risks to economic resilience. Scores from 1 to 8 are possible, with an 8 being an area with the highest risk for prolonged impacts with the least amount of resources to recover. Seatac/Tukwila includes Duwamish Hill Preserve and the compound score totals a 7 out of 8. Of note: Seatac/Tukwila has higher thresholds (>25%) for Race indicators, is high in the Asset Poverty indicator (>16% food insecurity), and less than 50% of the population owns their own home. Overall, Seatac/Tukwila is tied for the highest score in the county, meaning it’s a community at higher risk for prolonged impacts with less resources than nearly all other areas in the county.

This project would serve all the identified population discussed above and we believe that this CFT request qualifies for a match waiver.

3. Describe in detail your recent engagement and collaboration with community-based organizations and/or members of the community regarding this project. In particular, focus on the local neighborhood or population served by the project, and how community leadership has been integrated into the engagement process and/or will be part of site development.

- *For example: direct engagement with nearby residents and/or community-based organizations representing this area; holding an open forum or discussion with the neighborhood; carrying out a planning process for this area.*
- *If applicable, you can attach materials from your community engagement (e.g. announcements).*

Engagement and collaboration has occurred with a wide variety of the community regarding Duwamish Hill Preserve. Acquisition of the Targeted Parcels offers yet another opportunity to involve the community in restoration, to develop interpretive content at the lead of Tribal members, and further the partnership between the City of Tukwila, Forterra, and others.

Interpretive content is based on input from Duwamish and Muckleshoot tribal members, educators, and community members, as well as published and archival documentation. Interpretation highlights Native stories and place names, as well as the contact era, early non-native land claims, river history, geology and habitat. The Preserve provides an opportunity for visitors to understand the world inhabited by Southern Puget Sound Salish people prior to contact with non-Indians, as well as the cultural values of the contemporary Muckleshoot and Duwamish people, represented by epic storytelling and traditional geographic and environmental knowledge. The Preserve also offers an opportunity to talk about the importance of preserving Native American cultural sites in Washington, both in rural areas and in our rapidly changing urban landscapes.

Over the years, numerous individuals and organizations have joined the effort to restore the Preserve and hundreds of community volunteers have worked to remove trash and invasive species, and to plant and monitor native plants. Acquisition of the Targeted Parcels would provide yet another opportunity to remove trash and invasive species, and restore the site through installation of a bioretention swale and other green stormwater infrastructure.

Since 2006, the Preserve has been a site in the Duwamish Alive! partnership that includes the City of Seattle, King County, the Port of Seattle, Forterra, Duwamish Clean-up Coalition, People for Puget Sound, Green Seattle Partnership, EarthCorps, and the Nature Consortium; entities that work together to raise awareness and appreciation for the Duwamish River and improve its habitat for wildlife, fish and people. Local businesses and educational institutions have committed to the Preserve's restoration providing volunteers and grant resources, including: Southcenter REI, Interurban Starbucks, Boeing Corp employees, a local Bank of America branch, Alaskan Copper, Tukwila Historical Society the University of Phoenix-Tukwila campus, Green River Community College, Tukwila Community School Collaboration, the Tukwila School District, Inner City Outings, local Girl Scout troops, Friends of the Hill, Forterra members and Tukwila community members. This level of involvement from so many different sources has greatly increased the citizen ownership of the site. The community is proud to steward the Preserve.

Finally, the City of Tukwila is supportive of partnering with Forterra on the acquisition. While Forterra is the applicant, it is intended that the Targeted Parcels will be transferred to the City of Tukwila post-closing to be integrated into management of the Preserve. Forterra would expand its stewardship easement to encompass these properties. Forterra oversees restoration and development efforts for the Preserve, in collaboration with the City of Tukwila. Forterra continues to focus on raising funds to support education programs, from sources such as King Conservation District, and conducts regular work parties to continue restoration efforts and maintenance.

4. If you are not granted a match waiver, do you want to be considered for a CFT award for 50% of your original CFT request amount, which would require dollar-for-dollar match? Yes No

- *If you answered "yes," please discuss how you intend to raise the matching funds*

Forterra and community partners would apply for additional funding through local sources, including Parks Levy, or other funding sources if a match waiver is not successful.

(Delete this page if not submitting Supplemental Form #2 with application)
SUPPLEMENTAL FORM #2: NON-GOVERNMENTAL APPLICANTS

ONLY complete Supplemental Form #2 if you are a non-governmental applicant.

While community groups or individuals may submit applications, only two types of non-governmental entities may receive CFT funding to acquire property under state law and county code:

- nonprofit historic preservation corporation: a 501c3 tax-exempt nonprofit “which has as one of its principal purposes the conducting or facilitating of historic preservation activities within the state, including conservation or preservation of historic sites, districts, buildings, and artifacts.” (RCW 64.04.130)
- nonprofit nature conservancy corporation or association: a 501c3 tax-exempt nonprofit “which has as one of its principal purposes
 - the conducting or facilitating of scientific research;
 - the conserving of natural resources, including but not limited to biological resources, for the general public;
 - or the conserving of open spaces, including but not limited to wildlife habitat to be utilized as public access areas, for the use and enjoyment of the general public.” (RCW 84.34.250)

1. Do you believe you meet one of the eligible nonprofit definitions above? Yes No
 - *If “yes,” describe how you believe you meet the definition. Please include your adopted mission/purpose from your by-laws or articles of incorporation filed with the state.*
 - *If “no,” describe how you plan to work with an eligible nonprofit or agency who can receive CFT funds.*

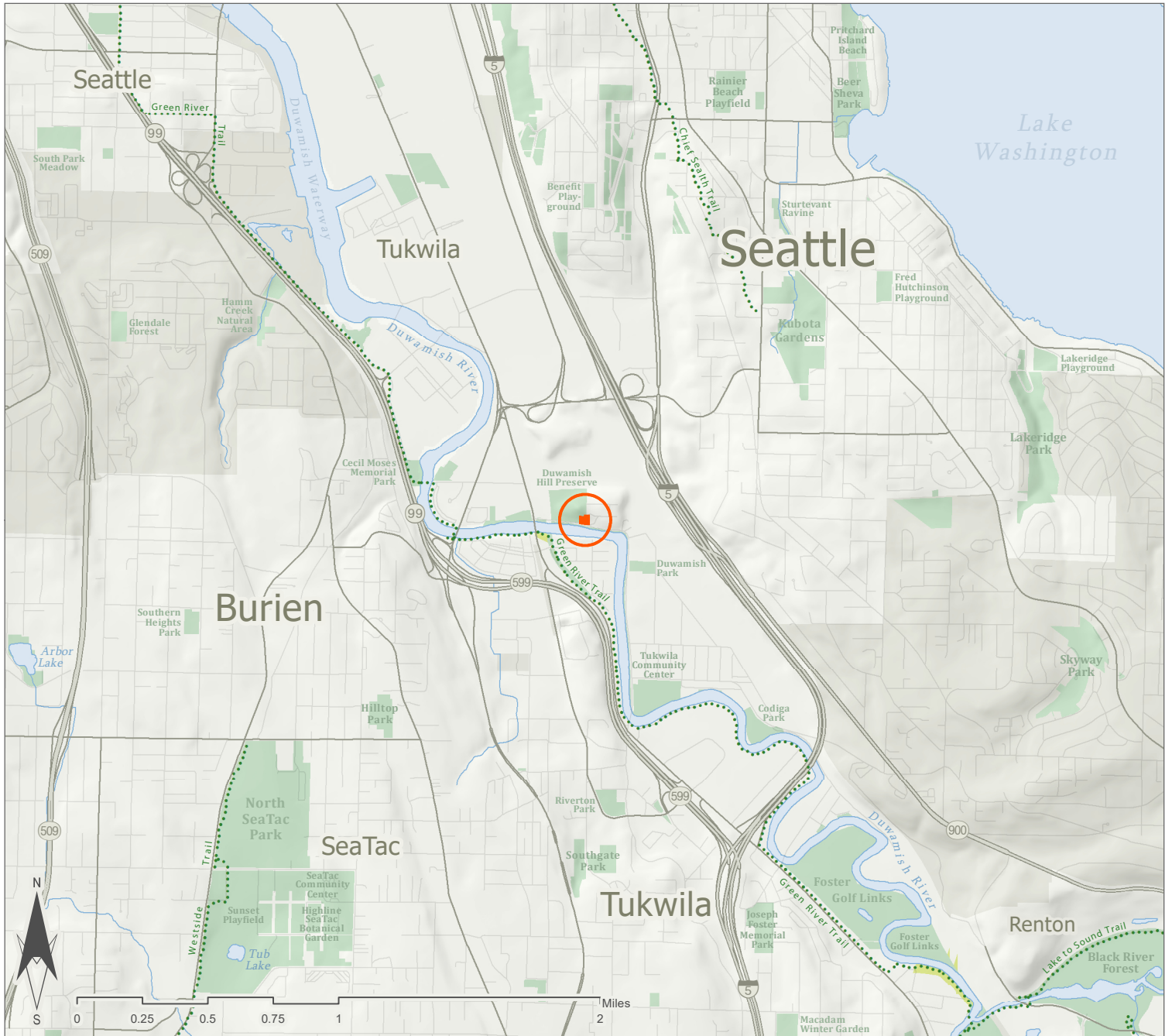
***The county has already determined that Forterra is eligible for King County Conservation Futures funding award. Refer to applications submitted by Forterra for 2020 and 2021 funding for additional information about the organization.**

2. Please help the Committee understand your organizational capacity.
 - *For example: How long has your organization been in existence?*
 - *What is your previous track record of success on similar projects?*
 - *What experience does your board of directors and/or staff contribute?*
 - *Do you have a project manager identified to successfully manage this property for the foreseeable future?*
3. Please help the Committee understand your organization’s financial stability and long-term sustainability.
 - *How many years have you held your 501c3 tax exempt status?*
 - *Describe your current financial status – for example, contributions and assets as reported on IRS Form 990.⁷*
 - *How does your financial status demonstrate long-term success for your nonprofit?*
4. What long-term funding stream will pay for costs to manage the land?
 - *For example, land management, maintenance, insurance, liability coverage, site development, etc.*
5. What would happen to this property if your organization ceased to exist or lost its 501c3 status?
 - *For example, would the property transfer to another eligible nonprofit, or to your local government?*
6. What discussions have you had with your local government about this project?

⁷ <https://www.irs.gov/charities-non-profits/form-990-resources-and-tools>

DUWAMISH HILL PRESERVE

Local Context



Proposed Acquisition

- Property Boundary

Administrative Jurisdiction

- Incorporated Municipality
- Unincorporated UGA

Recreation

- Regional Trail

Transportation

- Highway
- Major Road
- Local Street

Hydrography

- Lake or Pond
- River
- Named Creek

Park or Open Space

- State
- County or Municipal
- Conservation Easement







Map Date: February 24, 2021

DUWAMISH HILL PRESERVE




Project Site: Township 23N, Range 4E, Section 10






Proposed Acquisition

-  Acquisition Boundary
-  Internal Parcel Boundary
-  Future Restoration Likely
-  Potential Development Impact from possible future re-alignment of S. 115th Street

Public Open Space

-  King County
-  City of Tukwila
-  Conservation Easement

Other Features

-  Public Road
-  Regional Trail
-  2019 NAIP Aerial Photograph



Map date: February 26, 2021



March 2, 2021

Forterra
PO Box 4189
Seattle WA, 98194

Re. Duwamish Hill Preserve Addition

Dear Forterra,

The City of Tukwila enthusiastically supports Forterra's efforts to acquire funding, through King County Conservation Futures (CFT), Parks Levy, or other sources, to add .35 acres to the existing 10.5 Duwamish Hill Preserve. This addition to the Preserve will increase the opportunity for public access to the natural area. King County remains a critical supporter of land conservation initiatives and this project would not be possible without its support. CFT previously supported both acquisitions that currently comprise Duwamish Hill Preserve.

The City of Tukwila's Parks and Recreation Department currently owns and manages the Duwamish Hill Preserve. This expansion of the Park is in alignment with the City's current management plans for these recreational, cultural, and natural resources. The City intends to ultimately take ownership and manage this acquisition in accordance with the Duwamish Hill Preserve Master Plan.

The Duwamish Hill Preserve is an area of significance to the Puget Sound Salish cultural traditions. The Preserve is currently managed as an open space preserve devoted to the interpretation of the site's Native American heritage and other aspects of the Duwamish River Valley natural and cultural history. This proposed Preserve addition will continue to expand the protection of these critical resources.

The conservation project is located in an area that experiences high levels of air pollution due to vehicle, train, and airplane traffic. Increases to the Preserve will help to mitigate the impacts of pollution and will help protect these ecological, cultural, and social resources for an underserved community.

Without this acquisition, the Preserve continues to face threats from subdivision and development. The City encourages Forterra's grant application(s) to be fully funded to further protect the Duwamish River corridor and its riparian and cultural resources.

Sincerely,

Rick Still

Rick Still, Director
Tukwila Parks and Recreation



DUWAMISH TRIBAL SERVICES

Operated by the Duwamish Tribe of Indians

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March 2, 2020

Forterra
PO Box 4188
Seattle, WA 98194

Re. Duwamish Hill Preserve Addition

Dear Forterra,

The Duwamish People enthusiastically supports Forterra's efforts to acquire funding through King County Conservation Futures (CFT), Parks Levy, or other sources to add .35 acres to the existing 10.5-acre Duwamish Hill Preserve. This addition to the Preserve will increase the opportunity for public access to the natural area. King County remains a critical supporter of land conservation initiatives, and this project would not be possible without its support. CFT previously supported both acquisitions that currently comprise Duwamish Hill Preserve.

The Duwamish People have lived in the land that comprises the Duwamish River Watershed for millennia and have depended on the natural resources of the river and its riparian corridor long before it faced its current degradation. The natural resources of the region are integral to protect and maintain for future generations, and this current proposed expansion of the Duwamish Hill Preserve will provide the opportunity to further protect the Duwamish River Corridor and will expand our further partnership with forterra to create educational opportunities for the general public.

The Duwamish Hill Preserve is an area of significance to the Duwamish Puget Salish cultural traditions. The Preserve is currently managed as an open space preserve devoted to the interpretation of the site's Native American heritage and other aspects of the Duwamish River Valley natural and cultural history. This proposed Preserve addition will continue to expand the protection of these critical resources.

Without this acquisition the Preserve continues to face threats from subdivision and development. The Duwamish People encourage Forterra's grant application(s) to be fully funded to further protect the Duwamish River corridor and its riparian and cultural resources.

Our resilience has been made possible by community friendships and partnerships that have held us up and encouraged us on. We appreciate and honor indigenous communities throughout the Pacific Northwest with our native communities, friends, and partners. *S w ə l ə ʔ w*

Sincerely,

Jolene Haas, DTS Board Director

DUWAMISH RIVERBEND HILL

SELECTED PAGES FOLLOW



MASTER PLAN

MAY 2007

CONCEPT PLAN



RESTORED WETLAND

INTERPRETIVE MARKER, TYP.

VEGETATIVE BUFFER AND SCULPTED LANDFORMS NEIGHBORHOOD TRAILHEAD

ADA HILLCRIMB

UPPER VIEWPOINT

MIDDLE VIEWPOINT AND GATHERING PLACE

BIORETENTION SWALE

STREETSIDE PARKING

RESTROOM AND CONSTRUCTED WETLAND TREATMENT SYSTEM

WELCOME PLAZA AND BUS DROP-OFF

RESTORED SHORELINE AND BEACH ACCESS

REROUTED S. 115TH ST.

DUWAMISH RIVER

S. 115TH STREET

Targeted Parcels

SCALE: 1"= 120'-0" 

PHASING

PHASE 1: THE CENTRAL HILL

neighborhood trailhead, some interpretive markers, trails, entrance bridge, stacked rock amphitheater, seatwalls at upper viewpoint, invasive plant removal and native restoration, interim parking and arrival area

PHASING PLAN

PHASE 2: RESTORED WETLAND, TRAILS, AND BUFFER

more interpretive markers, wetland restoration, vegetative buffer and sculpted landforms, wetland boardwalk

PHASE 3: REALIGNED ROAD AND RESTORED SHORELINE

more interpretive markers, realigned South 115th Street, restroom with green roof and constructed wetland treatment system, bioretention swales, riverfront shoreline and beach restoration with hand boat launch, welcome plaza, entrance path, porous concrete sidewalks, streetside permanent parking

Targeted
Parcels

DUWAMISH RIVER

SCALE: 1"= 120'-0"



DATA REPORT
 CFT OPPORTUNITY AREA DETERMINATION

Parcel **1023049072**
 Census Tract 53033026300
 Census Block Group 530330263002
 ZIP Code 98168
 City Tukwila
 Elementary School Tukwila Elementary
 Data Report Requested By Ryan Walker
 CFT Project Name **Duwamish Hill Preserve Addition**
 Date of Report 2/19/2021

#1. DOES PROPERTY MEET ALL 3 SPECIFIED CRITERIA?

No

Criterion	Is Criterion Met?	How is criterion met?
Income	Yes	21st percentile
Hospitalization Rates	Yes	88th percentile
Access to Open Space	No	0.01 mi from open space

#2. ADDITIONAL RELEVANT CRITERIA WITH READILY AVAILABLE DATA

Applicant can use data results from the following criteria alongside results in #1 to provide other relevant information in the application.

Criterion	Data Point	Percentile
% Households at or below 200% of the Federal Poverty Level	17%	68th
Utilization Rate of Free & Reduced Price School Meals	60%	77th
Average Life Expectancy	78.7	18th
% Limited English Speaking Households	8%	73rd
% Population Under Age 5	5%	26th
% People of Color	74%	97th
Open Space & Park Density Per Capita (acres/person)	0.0197	82nd
% Tree Canopy (Neighborhood "Greenness")	16%	33rd



INFORMATIONAL MEMORANDUM

TO: Finance Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: April 20, 2021

SUBJECT: Approve Ordinance to Issue Debt to Fund General Fund Portion of PW Shops Phase I Project, Refund Outstanding 2011 Limited Tax Obligation Bonds, Refund Outstanding 2014 Limited Tax Obligation Bonds

ISSUE

Delegate authority to the Finance Director, through the end of September, to issue limited tax obligation bonds (LTGO) to issue debt to fund the general fund portion of the PW Shops Phase I project, refund the City's outstanding 2011 LTGO bonds, and refund the City's outstanding 2014 LTGO bonds via a direct placement process. Refunding the 2011 and 2014 bonds would only occur if total debt service would be lower than currently structured.

BACKGROUND

During the 2021-2022 budget process it was determined that, due to the current interest rate environment, the general fund portion (\$2,850,000) of funding the PW Shops Phase I project would be financed.

The City also has an opportunity to refund two outstanding LTGO issues, if debt service savings can be achieved, net of issuance costs.

1). The City issued \$4,620,000 LTGO bonds on December 28, 2011 to refund 2003 Series A bonds that were issued to fund street improvements. Bonds were issued with an interest rate ranging from 2.00% to 4.00%; interest rates are higher during the last few years of the repayment schedule. Interest rates for the remaining life of the bonds range from 3.00% to 4.00%. Final payment for these bonds is December 2023. These bonds have a call provision that allows the bonds to be called on December 1, 2021. Given that current interest rates are lower than the rate the City is paying on these bonds, it is the City's best interest to pursue a refunding of these bonds.

2). The City issued \$3,850,000 LTGO bonds in December 2014 to fund land acquisition and capital costs of redevelopment activities within the City's Urban Renewal area. Bonds were issued with an interest rate ranging from 0.85% to 4.86% through 2024. After 2024, the interest rate is adjusted to the 5-year Advance Fixed Bullet Rate, as quoted by the Seattle Federal Loan Bank, divided by 0.65. Interest rates for the remaining life of the bonds range from 4.32% to 4.86% through 2024. Final payment for these bonds is December 2034. These bonds were a private placement with Zions Bank and there is no prepayment penalty for refunding them after

December 2020. Given the current interest rate environment and the uncertainty of future interest rates, it is the City's best interest to pursue a refunding of these bonds.

Per the City's current debt policy, adopted by Resolution No. 1840, the City will refinance debt to achieve debt service savings as market opportunities arise.

DISCUSSION

As of May 2021, the outstanding balance of the 2011 LTGO bonds is \$1,545,000 plus total interest of \$98,700. The 2014 refunding LTGO bonds have an outstanding principal amount of \$3,101,000 and total interest is estimated to be \$748,907. Total interest is subject to change depending on the interest rate in effect from 2025 through 2034.

An RFP will be circulated to banks at the end of April 2021 to determine what banks are interested in submitting a proposal. Review of the proposals is tentatively scheduled for May 20, 2021 with an expected closing date of June 8, 2021 for the component related to the PW Shops Phase I project and a closing date of September 2, 2021 for refunding the 2011 and/or 2014 outstanding bond issues.

The draft ordinance delegates authority to the Finance Director to select the proposal that is in the best interest of the City (if any) and to approve the interest rate and terms of the bond within the parameters set forth in the ordinance.

If a proposal is accepted, the Finance Director will report back to the full Council on the details of the agreement.

RECOMMENDATION

The Council is being asked to approve the ordinance and consider this item at the May 10, 2021 Committee of the Whole meeting and subsequent May 17, 2021 Regular Meeting.

ATTACHMENTS

Draft Ordinance

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF LIMITED TAX GENERAL OBLIGATION AND REFUNDING BONDS OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,200,000 TO FINANCE AND/OR REIMBURSE COSTS RELATED TO CAPITAL IMPROVEMENTS TO THE CITY'S PUBLIC WORKS FACILITIES, TO REFUND CERTAIN OUTSTANDING LIMITED TAX GENERAL OBLIGATION BONDS OF THE CITY, AND TO PAY THE COST OF ISSUING THE BONDS; PROVIDING THE FORM, TERMS AND COVENANTS OF THE BONDS; DELEGATING THE AUTHORITY TO APPROVE THE SALE OF THE BONDS; PROVIDING FOR OTHER MATTERS RELATING THERETO; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "Council") of the City of Tukwila, Washington (the "City") has deemed it in the best interest of the City to acquire, improve, develop and equip certain capital improvements to the City's public works facilities (the "Project"); and

WHEREAS, the City issued its Limited Tax General Obligation Refunding Bonds, 2011 on December 28, 2011, pursuant to Ordinance No. 2361 passed by the Council on December 5, 2011 (the "2011 Ordinance"), in the original principal amount of \$4,620,000 (the "2011 Bonds"); and

WHEREAS, the 2011 Ordinance provides that the City may redeem the 2011 Bonds maturing on or after December 1, 2022, on any date on or after December 1, 2021, in whole or in part, at the price of par plus accrued interest, if any, to the date of redemption (the "2011 Refunding Candidates"); and

WHEREAS, the City issued its Limited Tax General Obligation Bond, 2014 (Taxable), on December 16, 2014 pursuant to Ordinance No. 2465 passed by the Council on December 1, 2014, as amended by Ordinance No. 2472 passed by the Council on March 16, 2015 (as amended, the "2014 Ordinance," and together with the

2011 Ordinance, the “Outstanding Bond Ordinances”), in the original principal amount of \$3,850,000 (the “2014 Bond”); and

WHEREAS, the 2014 Ordinance provides that the City may redeem the 2014 Bond on any date on or after December 1, 2019 (the “2014 Refunding Candidate,” and together with the 2011 Refunding Candidates, the “Refunding Candidates”); and

WHEREAS, after due consideration, the Council has determined it is in the best interest of the City to authorize the issuance of one or more series of limited tax general obligation and refunding bonds in the aggregate principal amount of not to exceed \$7,200,000, to pay and/or reimburse the City for all or a portion of the costs of the Project, to refund and defease all or a portion of the Refunding Candidates for debt service savings, and to pay costs of issuance for the bonds; and

WHEREAS, the City has issued a request for proposals from various financial institutions to purchase the bonds authorized herein; and

WHEREAS, the Council wishes to delegate authority to the Finance Director (the “Designated Representative”), for a limited time, to select one or more proposals that are in the best interest of the City (if any); to approve the issuance from time to time, on a single date or on multiple dates, of one or more series of bonds; to designate each series of bonds as tax-exempt or taxable; to select the Refunding Candidates for redemption; and to approve the interest rates and the terms of the bonds within the parameters set by this ordinance; and

WHEREAS, the Council now wishes to authorize the issuance of the bonds and sale of the bonds to the successful respondent(s) subject to the terms and conditions set forth in this ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY ORDAINS AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following words shall have the following meanings:

Acquired Obligations mean the Government Obligations, if any, acquired by the City under the terms of this ordinance and the Escrow Agreement to effect the defeasance and refunding of the Refunded Bonds, but only to the extent that the same are acquired at Fair Market Value.

Bond Counsel means Pacifica Law Group LLP, Seattle, Washington, or an attorney at law or a firm of attorneys, which is admitted to practice law before the highest court of any state in the United States of America or the District of Columbia and nationally recognized and experienced in legal work relating to the issuance of tax-exempt bonds who is or are selected by the City.

Bond Purchase Contract means one or more commitments, bond purchase contracts, loan agreements, forward delivery agreements, or other contracts between the City and one or more Purchasers approved by the Designated Representative pursuant to this ordinance.

Bond Register means the registration records for the Bonds maintained by the Bond Registrar.

Bond Registrar means the City Finance Director or, at the option of the City, the fiscal agent for municipal bonds issued in the State, currently U.S. Bank National Association.

Bonds means the Project Bond together with the Refunding Bonds, authorized to be issued from time to time under this ordinance.

Call Date means the date of redemption of the Refunded Bonds as set forth in the Escrow Agreement.

City means the City of Tukwila, Washington, a municipal corporation duly organized and existing under the laws of the State of Washington.

City Administrator means the duly appointed and acting City Administrator, including anyone acting in such capacity for the position, or the successor to the duties of that office.

City Attorney means the duly appointed and acting City Attorney, including anyone acting in such capacity for the position, or the successor to the duties of that office.

City Clerk means the duly appointed and acting City Clerk of the City or the successor to the duties of that office.

Code means the Internal Revenue Code of 1986 as in effect on the date of issuance of any Tax-Exempt Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of any Tax-Exempt Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Commission means the United States Securities and Exchange Commission.

Council or City Council means the Tukwila City Council, as the general legislative body of the City as the same is duly and regularly constituted from time to time.

Debt Service Fund means the funds or accounts created pursuant to this ordinance for the purpose of paying debt service on each series of Bonds.

Designated Representative means the Finance Director, or his or her designee.

Escrow Agent means U.S. Bank National Association, and its successors and assigns.

Escrow Agreement means the Escrow Deposit Agreement between the City and the Escrow Agent.

Fair Market Value means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction, except for specified investments as described in Treasury Regulation § 1.148-5(d)6), including United States Treasury obligations, certificates of deposit, guaranteed investment contracts, and investments for yield restricted defeasance escrows. Fair Market Value is generally determined on the date on which a contract to purchase or sell an investment becomes binding, and, to the extent required by the applicable regulations under the Code, the term "investment" shall include a hedge.

Federal Tax Certificate means the certificate executed by the City setting forth the requirements of the Code for maintaining the tax exemption of interest on the Tax-Exempt Bonds, and attachments thereto.

Finance Director means the duly appointed and acting Finance Director of the City or the successor to such officer.

Government Obligations mean those obligations now or hereafter defined as such in Chapter 39.53 RCW.

Interest Rate means the fixed rate of interest for each series of Bonds as approved by the Designated Representative and set forth in the applicable Bond and in the Bond Purchase Contract.

Maturity Date means the date of final maturity for a series of Bonds, as set forth therein.

Mayor or City Mayor means the elected Mayor of the City, or the successor to the duties of that office.

Outstanding Bond Ordinances mean the 2011 Ordinance and the 2014 Ordinance.

Project means the capital project described in Section 2 of this ordinance.

Project Bond means the Limited Tax General Obligation Bond authorized to be issued pursuant to this ordinance to pay all or a portion of the costs of the Project and to pay costs of issuance for such Bond.

Project Fund means the account created pursuant to Section 7 of this ordinance.

Purchaser means any bank or other financial institution selected to purchase one or more series of Bonds (or to accept delivery of one or more Bonds to evidence the City's obligations under a Bond Purchase Contract), as selected by the Designated Representative.

Refunded Bonds mean all or a portion of the Refunding Candidates as designated by a Designated Representative for refunding pursuant to this ordinance.

Refunding Account means the account by that name established pursuant to Section 7 of this ordinance.

Refunding Bond or Bonds means one or more series of Limited Tax General Obligation Refunding Bonds authorized to be issued pursuant to this ordinance to refund and defease one or more series of the Refunded Bonds and to pay costs of issuance for such Bonds.

Refunding Candidates mean the 2011 Refunding Candidates and the 2014 Refunding Candidate.

Registered Owner means the person whose name the Bonds are registered to on the Bond Register.

Rule means the Securities and Exchange Commission's Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

State means the State of Washington.

Taxable Bonds mean any Bonds of a series determined to be issued on a taxable basis pursuant to this ordinance.

Tax-Exempt Bonds mean any Bonds of a series determined to be issued on a tax-exempt basis under the Code pursuant to this ordinance.

2011 Bonds mean the City's Limited Tax General Obligation Refunding Bonds, 2011, issued pursuant to the 2011 Ordinance in the original aggregate principal amount of \$4,620,000 on December 28, 2011.

2011 Ordinance means Ordinance No. 2361 passed by the Council on December 5, 2011, authorizing the issuance of the 2011 Bonds.

2011 Refunding Candidates mean the outstanding 2011 Bonds.

2014 Bond means the City's Limited Tax General Obligation Bond, 2014 (Taxable), issued pursuant to the 2014 Ordinance in the original aggregate principal amount of \$3,850,000 on December 16, 2014.

2014 Ordinance means Ordinance No. 2465 passed by the Council on December 1, 2014, as amended by Ordinance No. 2472 passed by the Council on March 16, 2015, authorizing the issuance of the 2014 Bond.

2014 Refunding Candidate means the outstanding 2014 Bond.

Section 2. Authorization of the Project; Findings; Authorization of the Bonds.

(a) *Authorization of the Project.* The Project Bond is being issued to finance and/or reimburse the City for costs of acquiring, improving, developing and equipping certain capital improvements to the City's public works facilities (the "Project") and paying costs of issuance for the Project Bond. The cost of all necessary and other costs incurred in connection with the Project shall be paid from other City funds legally available for such purposes.

(b) *Refunding Findings.* The City has established financial policies which provide, as a general rule, that the City may issue refunding bonds to refund outstanding debt when, among other reasons, such refunding results in net present value savings. The Council hereby finds it is in the best interest of the City and its taxpayers that it issue one or more series of limited tax general obligation refunding bonds to refund the Refunded Bonds for aggregate net present value debt service savings.

(c) *Authorization of Bonds.* For the purpose of paying and/or reimbursing the City for costs of the Project, defeasing and refunding the Refunded Bonds, and paying costs of issuance, the City is hereby authorized to issue and sell one or more series of limited tax general obligation and refunding bonds in the aggregate principal amount not to exceed \$7,200,000 (the "Bonds"). The Bonds authorized herein may be issued from time to time, on a single date or on multiple dates, in one or more series, as Tax-Exempt or Taxable Bonds, pursuant to the authorization set forth in this ordinance, subject to the conditions set forth in Section 10 hereof.

The Bonds shall be general obligations of the City and shall be designated "City of Tukwila, Washington, Limited Tax General Obligation and Refunding Bonds, 2021" or other such designation as set forth in the Bonds and approved by the Designated Representative. Each Bond shall be dated as of its date of delivery to the applicable Purchaser, shall be fully registered as to both principal and interest, shall be in one denomination, and shall mature on the applicable Maturity Date. Each Bond shall bear interest from its dated date or the most recent date to which interest has been paid at the applicable Interest Rate. Interest on the principal amount of the Bonds shall be calculated per annum on a 30/360 basis, or as otherwise provided in the Bonds and in the Bond Purchase Contract. Principal of and interest on each Bond shall be payable at the times and in the amounts as set forth in the applicable Bond Purchase Contract and in the payment schedule attached to such Bond.

Section 3. Registration, Exchange and Payments.

(a) *Registrar/Bond Registrar.* The Finance Director or the fiscal agent of the State shall act as Bond Registrar for the Bonds. The Bond Registrar is authorized, on behalf of the City, to authenticate and deliver the Bonds if transferred or exchanged in accordance with the provisions of the Bonds and this ordinance and to carry out all of the Bond Registrar's powers and duties under this ordinance.

(b) *Registered Ownership.* The City and the Bond Registrar may deem and treat the Registered Owner of the Bonds as the absolute owner for all purposes, and neither the City nor the Bond Registrar shall be affected by any notice to the contrary. Payment of the Bonds shall be made only as described in subsection (d) below. All such payments made as described in subsection (d) below shall be valid and shall satisfy the liability of the City upon the Bonds to the extent of the amount so paid.

(c) *Transfer or Exchange of Registered Ownership.* The Bonds shall not be transferrable without the consent of the City except as provided in the Bonds and/or the Bond Purchase Contract.

(d) *Place and Medium of Payment.* Both principal of and interest on the Bonds shall be payable in lawful money of the United States of America. Principal and interest on the Bonds shall be payable by check, warrant, ACH transfer or by other means mutually acceptable to the Purchaser and the City. Upon final payment of principal and interest of the Bonds, the Registered Owner shall surrender the Bonds for cancellation at the office of the Bond Registrar in accordance with this ordinance.

(e) *Additional Provisions.* The Bonds will not be registered with The Depository Trust Company, New York, New York, or any other securities depository. No official statement, prospectus, offering circular or other offering statement containing material information with respect to the City or the Bonds will be provided in connection with the issuance of the Bonds, the Bonds will be unrated, and the Bonds will not be assigned a CUSIP number.

Section 4. Right of Prepayment. The City may prepay the Bonds as set forth in the applicable Bond Purchase Contract. If any Bond is prepaid in full, interest shall cease to accrue on the date such prepayment occurs.

Section 5. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference.

Section 6. Execution of Bonds. The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor, and shall be attested by the manual or facsimile signature of the Clerk. Only such Bonds as shall bear thereon a Certificate of Authentication in the form set forth in Exhibit A, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such Certificate of Authentication shall be conclusive evidence that the Bond so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

In case either of the officers who shall have executed any Bond shall cease to be an officer or officers of the City before such Bond so signed shall have been authenticated or delivered by the Bond Registrar, or issued by the City, such Bond may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. Any Bond may also be signed and attested on behalf of the City by such persons who at the date of the actual execution of such Bond, are the proper officers of the City, although at the original date of such Bond any such person shall not have been such officer of the City.

Section 7. Application of Bond Proceeds. Proceeds of the Bonds shall be distributed as follows:

(a) *Project Fund.* Net proceeds of the Project Bond shall be deposited in the Project Fund which is hereby authorized to be created, and used to pay costs of the Project and payment of costs of issuance of such Project Bond as set forth in the closing memorandum for such Project Bond.

The Finance Director shall invest money in the Project Fund in such obligations as may now or hereafter be permitted by law to cities of the State and which will mature prior to the date on which such money shall be needed, but only to the extent that the same are acquired, valued and disposed of at Fair Market Value. Upon completion of the Project, any remaining Project Bond proceeds (including interest earnings thereon) may be used for other capital projects of the City or shall be transferred to the Debt Service Fund for the Project Bond.

(b) *Refunding Plan.* For the purpose of realizing a debt service savings, the City proposes to refund and/or defease the Refunded Bonds as set forth herein. If the Designated Representative determines that it is in the best interest of the City to proceed with the refunding authorized herein, the Designated Representative shall designate all or a portion of the Refunding Candidates as Refunded Bonds and such designation shall be set forth in a Bond Purchase Contract or certificate of the City. The Designated Representative is hereby authorized to select the Refunded Bonds from the Refunding Candidates, to establish the Call Date for each series of the Refunded Bonds, to provide or cause to be provided notice of redemption of the Refunded Bonds in accordance with the applicable provisions of the Outstanding Bond Ordinances authorizing the issuance of the Refunded Bonds, and to take any action as determined to be necessary and in the best interest of the City to refund the Refunded Bonds.

Net proceeds of any Refunding Bond shall either be remitted to the City or deposited with the Escrow Agent pursuant to the Escrow Agreement, and shall be used immediately upon receipt thereof to defease and/or refund the Refunded Bonds as authorized by the applicable Outstanding Bond Ordinances and to pay costs of issuance of such Refunding Bond as set forth in the closing memorandum for such Refunding Bond.

Any Refunding Bond proceeds and any other available funds of the City, if any, deposited with the Escrow Agent shall be used to defease the applicable series of Refunded Bonds and discharge the obligation thereon by either being held uninvested as cash or by the purchase of Acquired Obligations bearing such interest and maturing as to principal and interest in such amounts and at such times which, together with any necessary beginning cash balance, will provide for the payment of interest on such Refunded Bonds on the Call Date and the redemption price of such Refunded Bonds on the Call Date. Such Acquired Obligations, if any, shall be purchased at a yield not greater than the yield permitted by the Code and regulations relating to acquired obligations in connection with refunding the bond issues.

(c) *Escrow Agent; Escrow Agreement.* U.S. Bank National Association is hereby appointed as Escrow Agent. The proceeds of any Refunding Bonds remaining after acquisition of the Acquired Obligations, if any, and provision for the necessary beginning cash balance shall be used to pay expenses of the acquisition and safekeeping of the Acquired Obligations and costs of issuance of such Refunding Bonds and the administrative costs of the refunding. In order to carry out the purposes of this section, the Designated Representative is authorized and directed to execute and deliver the Escrow Agreement to the Escrow Agent.

(d) *Call for Redemption of the Refunded Bonds.* If the Designated Representative determines to proceed with the refunding of the Refunded Bonds, the City hereby agrees to set aside available funds of the City and sufficient funds out of proceeds of the Refunding Bonds, including from the purchase of the Acquired Obligations, if any, to make payments described above. The City authorizes the Designated Representative to call the Refunded Bonds for redemption in accordance with the provisions of the Outstanding Bond Ordinances. Said defeasance and call for redemption of the Refunded Bonds shall be irrevocable after the issuance of the Refunding Bonds. The Escrow Agent is hereby authorized to carry out the terms of the Escrow Agent on behalf of the City, including the giving of notice of defeasance and/or redemption of the Refunded Bonds in accordance with the applicable provisions of the Outstanding Bond Ordinances.

Section 8. Tax Covenants. The City will take all actions necessary to assure the exclusion of interest on the Tax-Exempt Bonds from the gross income of the owners of the Tax-Exempt Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Tax-Exempt Bonds, including but not limited to the following:

(a) *Private Activity Bond Limitation.* The City will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(b) *Limitations on Disposition of Projects.* The City will not sell or otherwise transfer or dispose of (i) any personal property components of the projects financed and/or refinanced with proceeds of the Tax-Exempt Bonds other than in the ordinary

course of an established government program under Treasury Regulation § 1.141-2(d)(4); or (ii) any real property components of the projects, unless it has received an opinion of Bond Counsel to the effect that such disposition will not adversely affect the treatment of interest on the Tax-Exempt Bonds as excludable from gross income for federal income tax purposes.

(c) *Federal Guarantee Prohibition.* The City will not take any action or permit or suffer any action to be taken if the result of such action would be to cause the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) *Rebate Requirement.* The City will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Tax-Exempt Bonds.

(e) *No Arbitrage.* The City will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Tax-Exempt Bonds would have caused the Tax-Exempt Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(f) *Registration Covenant.* The City will maintain a system for recording the ownership of the Tax-Exempt Bonds that complies with the provisions of Section 149 of the Code until the Tax-Exempt Bonds have been surrendered and canceled.

(g) *Record Retention.* The City will retain its records of all accounting and monitoring it carries out with respect to the Tax-Exempt Bonds for at least three years after the Tax-Exempt Bonds mature or are redeemed (whichever is earlier); however, if the Tax-Exempt Bonds are redeemed and refunded, the City will retain its records of accounting and monitoring at least three years after the earlier of the maturity or redemption of the obligations that refunded the Tax-Exempt Bonds.

(h) *Compliance with Federal Tax Certificate.* The City will comply with the provisions of any Federal Tax Certificate with respect to the Tax-Exempt Bonds. In the event of any conflict between this section and the Tax Certificate, the provisions of the Tax Certificate will prevail.

(i) *Bank Qualification.* In the Federal Tax Certificate executed in connection with the issuance of each series of Tax-Exempt Bonds, the City may designate such Bonds as “qualified tax-exempt obligations” under Section 265(b)(3) of the Code for investment by financial institutions.

The covenants of this Section 8 will survive payment in full or defeasance of the Tax-Exempt Bonds.

Section 9. Pledge of Funds and Credit; General Obligation. The City hereby authorizes the creation of a fund or account to be used for the payment of debt service on each series of Bonds (the “Debt Service Fund”). No later than the date each payment of principal or interest on the Bonds becomes due, the City shall transmit sufficient funds, from the Debt Service Fund or from other legally available sources, to the Registered Owner for the payment of such principal or interest. Money in the Debt Service Fund may be invested in legal investments for City funds.

The City hereby irrevocably covenants and agrees for as long as any Bonds are outstanding and unpaid that each year it will include in its budget and levy an ad valorem tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds when due.

The City hereby irrevocably pledges that the annual tax provided for herein to be levied for the payment of such principal and interest shall be within and as a part of the tax levy permitted to cities without a vote of the people, and that a sufficient portion of each annual levy to be levied and collected by the City prior to the full payment of the principal of and interest on the Bonds will be and is hereby irrevocably set aside, pledged and appropriated for the payment of the principal of and interest on the Bonds. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of said taxes and for the prompt payment of the principal of and interest on the Bonds when due.

Section 10. Sale of the Bonds. The Council has determined it would be in the best interest of the City to delegate to the Designated Representative for a limited time the authority to approve the final terms of each series of Bonds subject to the provisions of this ordinance. The Designated Representative has solicited proposals from bond purchasers and is hereby authorized to select a Purchaser for each series of Bonds that submits the proposal for such series that is in the best interest of the City. Each Bond issued under this ordinance shall be sold to the selected Purchaser pursuant to the terms of the Bond Purchase Contract for such Bond.

Subject to the terms and conditions set forth in this Section 10, the Designated Representative is hereby authorized to approve the issuance, from time to time on a single date or on multiple dates to be determined to be in the best interest of the City, of one or more series of Bonds; to designate each series of Bonds as Tax-Exempt Bonds or Taxable Bonds; to select the Refunded Bonds from the Refunding Candidates; to select one or more Call Dates for the Refunded Bonds, to select one or more Purchasers; to approve the dated date, principal payment dates, interest payment dates, redemption/prepayment provisions, the Maturity Date, and the Interest Rate for each Bond; to agree to any additional terms and covenants that are in the best interest of the City and consistent with this ordinance; and to execute the sale of each Bond issued hereunder to the applicable Purchaser, provided that:

(a) the aggregate principal (face) amount of all Bonds issued from time to time under this ordinance does not exceed \$7,200,000,

(b) the Maturity Date for each series of Bonds issued under this ordinance is no later than December 1, 2034,

(c) the aggregate purchase price for each series of Bonds shall not be less than 98% of the aggregate stated principal amount of such series of Bonds, excluding any original issue discount,

(d) the true interest cost for all Tax-Exempt Bonds (in the aggregate) does not exceed 2.50%,

(e) the true interest cost for all Taxable Bonds (in the aggregate) does not exceed 3.00%, and

(f) any Refunding Bond is sold for a price that results in a minimum aggregate net present value debt service savings over the Refunded Bonds to be refunded by such Refunding Bonds of at least 0.50%.

Subject to the terms and conditions set forth in this section, the Designated Representative is hereby authorized to execute the one or more Bond Purchase Contracts for the sale of the Bonds. Following the sale of a series of Bonds, the Designated Representative shall provide a report to Council describing the sale and final terms of such Bonds approved pursuant to the authority delegated in this section. The authority granted to the Designated Representative by this Section 10 shall expire on December 31, 2021.

Upon passage and approval of this ordinance, the proper officials of the City including the Designated Representative, the Mayor, the City Administrator and the City Clerk are authorized and directed to undertake all action necessary for the prompt execution and delivery of the Bonds to the Purchaser thereof and further to execute all closing certificates, agreements, and documents required to effect the closing and delivery of the Bonds in accordance with the terms of the Bond Purchase Contract.

Section 11. Ongoing Disclosure; Covenants. The Bonds are exempt from ongoing disclosure requirements of the Rule. The City may agree in a Bond Purchase Contract to provide the Purchaser of a series of Bonds certain financial or other information and agree to such covenants as determined to be necessary by the Designated Representative.

Section 12. Lost, Stolen or Destroyed Bonds. In case any Bond shall be lost, stolen or destroyed while in the Registered Owner's possession, the Bond Registrar may at the request of the Registered Owner execute and deliver a new Bond of like date, number and tenor to the Registered Owner thereof upon the Registered Owner's paying the expenses and charges of the City and the Bond Registrar in connection therewith and upon its filing with the City written certification that such Bond was actually lost, stolen or destroyed and of its ownership thereof. In the case any Bond shall be lost, stolen, or destroyed while in the Registered Owner's possession, the Registered Owner may elect upon final payment of principal and interest of such Bond to surrender a photocopy of the Bond for cancellation at the office of the Bond Registrar

together with written certification that such Bond was actually lost, stolen or destroyed and of its ownership thereof.

Section 13. Severability; Ratification. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds. All acts taken pursuant to the authority granted in this ordinance but prior to its effective date are hereby ratified and confirmed.

Section 14. Corrections by Clerk. Upon approval of the City Attorney and Bond Counsel, the City Clerk is hereby authorized to make necessary corrections to this ordinance, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; ordinance numbering and section/subsection numbering; and other similar necessary corrections.

Section 15. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a regular meeting thereof this _____ day of _____, 2021.

ATTEST/AUTHENTICATED:

Christy O’Flaherty, MMC, City Clerk

Allan Ekberg, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Published: _____

Effective Date: _____

Ordinance Number: _____

Pacifica Law Group LLP, Bond Counsel

Attachment: Exhibit A – Form of Bond; Certificate of Authentication and Registration

Exhibit A

Form of Bond

[TRANSFER RESTRICTIONS]
UNITED STATES OF AMERICA

NO. R-1

\$ _____

STATE OF WASHINGTON
CITY OF TUKWILA

LIMITED TAX GENERAL OBLIGATION [AND] [REFUNDING] BOND, 2021
[(TAXABLE)]

INTEREST RATE: _____

MATURITY DATE: _____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

The City of Tukwila, Washington, a municipal corporation organized and existing under and by virtue of the laws of the State of Washington (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, on or before the Maturity Date identified above, the Principal Amount identified above and to pay interest thereon from the date of delivery, or the most recent date to which interest has been paid or duly provided for, at the Interest Rate set forth above (the "Interest Rate"). Interest on this bond shall accrue from its dated date until paid and shall be computed per annum on the principal amount outstanding on a 30/360 basis. Principal of and accrued interest on this bond shall be payable on the dates set forth in the payment scheduled attached hereto.

Both principal of and interest on this bond shall be payable in lawful money of the United States of America. Principal and interest on this bond shall be payable by check or warrant or by other means mutually acceptable to the Registered Owner and the City. Upon final payment of principal and interest of this bond, the Registered Owner shall surrender this bond for cancellation at the office of the Bond Registrar in accordance with Ordinance No. _____ of the City (the "Bond Ordinance").

This bond is issued pursuant to the Bond Ordinance to provide funds [to finance and/or reimburse the City for costs of acquiring, improving, developing and equipping certain capital improvements to the City's public works facilities] [to refund certain outstanding general obligations bonds of the City] and to pay costs of issuance. Capitalized terms used in this bond have the meanings given such terms in the Bond Ordinance.

[Prepayment provisions]

This bond [has/has not] been designated by the City as a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Internal Revenue Code of 1986, as amended.

The City has in the Bond Ordinance authorized the creation of a fund to be used for the payment of debt service on this bond, designated as the Debt Service Fund. The Debt Service Fund shall be drawn upon for the sole purpose of paying the principal of and interest on this bond.

The City hereby irrevocably covenants and agrees with the owner of this bond that it will include in its annual budget and levy taxes annually, within and as a part of the tax levy permitted to the City without a vote of the electorate, upon all the property subject to taxation in amounts sufficient, together with other money legally available therefor, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

Owners of this bond do not have a security interest in particular revenues or assets of the City. This bond is not a debt or indebtedness of the State of Washington, or any political subdivision thereof other than the City.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the Certificate of Authentication hereon shall have been manually signed by or on behalf of the Bond Registrar or its duly designated agent.

This bond is issued pursuant to the Constitution and laws of the State of Washington, and duly adopted ordinances of the City. This bond is transferable upon compliance with the conditions set forth in the Bond Ordinance.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond exist, have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the City may incur.

IN WITNESS WHEREOF, the City of Tukwila, Washington, has caused this bond to be executed by the manual or facsimile signature of the Mayor of the City of Tukwila and attested by the manual or facsimile signature of the City Clerk, as of this _____ day of _____, 2021.

[SEAL]

CITY OF TUKWILA, WASHINGTON

By _____
Allan Ekberg, Mayor

ATTEST:

Christy O'Flaherty, MMC, City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This bond is the City of Tukwila, Limited Tax General Obligation and Refunding Bond, 2021 [(Taxable)] described in the within mentioned Bond Ordinance and is registered in the name of the Registered Owner on the books of the City, in the office of the City Finance Director (the "Bond Registrar"), as to both principal and interest, as noted in the registration blank below. All payments of principal of and interest on this bond shall be made by the City to the Registered Owner from the Debt Service Fund.]

Date of Registration	Name and Address of Registered Owner	Signature of Bond Registrar
_____, 2021	_____ _____	_____ Finance Director



INFORMATIONAL MEMORANDUM

TO: Finance and Governance Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: March 16, 2021

SUBJECT: Prioritizing service restoration when ongoing revenues exceed adopted budget

Updated for April 26, 2021 meeting

ISSUE

Staff is seeking Committee input into a process for how to prioritize service level restoration if and when ongoing revenues exceed revenues adopted in the 2021-2022 biennial budget.

DISCUSSION

Recap of Budget and Service Level Reductions

The City has been impacted by the global COVID-19 health crisis since February 2020. The pandemic negatively affected revenue streams with reductions in sales and other taxes as well as user fees for recreation programs. Revenues continue to be impacted and it is unknown when, or if, revenue streams will return to pre-pandemic levels.

Early on in the crisis, City Council and Administration took action to reduce expenditures in anticipation of the expected decline in revenue. In decreasing expenditures, service levels were necessarily reduced across all departments, but many of the reductions focused on lower priority programs. Reductions included the following:

- Reducing labor costs by freezing vacant positions, layoffs, furloughs, and temporary pay reductions
- Reducing overtime
- Elimination of extra labor
- Elimination of travel and non-essential training
- Reduced transfers to Fleet
- Reduced or eliminated low priority programs
- Line-item budget scrub

The 2021-2022 budget process began in the early summer of 2020 and continuation of the expected impacts of the pandemic were included throughout the proposed budget. High priority programs, such as human services, public safety, public works, and the court were funded to the extent possible. The proposed budget included support for key initiatives including:

- Funding for human services

- Continued implementation of the City's Equity Policy
- Reimaging police services by starting a Mental Health Professional pilot program
- Maintaining current level of fire services
- No additional service or employee reductions above reductions in 2020
- Continued investment in infrastructure
- Investment in technology
- Teen/Senior Center feasibility and programming

While the proposed budget did include funding for the priorities listed above, several service reductions had to be maintained due to a continued reduction in revenue projections. During budget deliberations, the City Council directed the restoration of some services using the proposed budget surplus, including parks and street maintenance and additional funding for human services. While some service levels were restored through the budget and budget review process, several programs continue at a reduced level or were eliminated in the adopted budget, including:

- Frozen positions in the Municipal Court, Parks, DCD, Police, Public Works, Admin Services
- Elimination of SeeClickFix program
- Reduction of extra labor in certain departments, eliminated in other departments
- Reduction in supplies, services, non-essential training, and travel across all departments
- Elimination of commute trip reduction incentives
- Elimination of funding for the Community Connectors program
- Programming at the Tukwila Community Center

In addition to the program reductions listed above, all departments have experienced general line-item budget reductions for 2021, which leaves no room for unplanned/unexpected expenditures that do occur each year.

If revenues return at a higher level than adopted in the budget, the City Council will need to make decisions regarding the return of these services and service levels.

2021 Budget Issues

Before service levels can be restored, it is important to understand pressures on the budget that will need to be addressed prior to restoring the service levels mentioned above. Some of the areas include:

- Implementation of a previously agreed upon Teamsters' wage and compensation study. Total impact for 2021 is as follows:

2021 Budget Impact

Admin Svcs	\$	29,175
Finance		18,757
Recreation		15,168
DCD		54,944
Court		5,568
Police		6,926
Public Works		9,552
Total General Fund	\$	140,090

Golf Course	\$	15,136
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- Permit processing concerns due to impact of vacant and previously frozen positions to process workload which has remained steady during the pandemic.

Currently, one associate planner position is frozen for a total budget of \$147,600 annual salary and benefits and a planning intern was laid off due to reductions in the extra labor budget. Total extra labor budget reduction was \$4,000.

Permit volumes have remained high through the pandemic but the Planning Division now has fewer staff to process reviews due to frozen positions and vacancies. In addition, the 10% furloughs and the need to develop procedures for electronic plan review and train staff on new processes contributed to development of a backlog of reviews that we are not able to work through at current staffing levels.

Restoring the associate planner and planning intern would address the permit review response times and eventually allow staff to address long-range code and policy updates.

- Increase in Fire Department overtime costs due to a minimum staffing settlement agreement with the Local IAFF #2088.

Costs per overtime shift to maintain minimum staffing depends on which position is backfilled. A firefighter will cost \$1,500 per shift, a captain \$1,700 per shift and a battalion chief will cost \$2,000 per shift. Estimated increase to overtime budget for 2021 will be \$200,000.

Ongoing vs One-time Revenues

As Council and Administration consider how and when to restore service levels it will be important to keep in mind adopted financial policies that state one-time revenue will be used for one-time expenditures and ongoing revenue will be used for ongoing expenditures. This will also be an opportune time to re-envision how services are provided. Staff will be providing updated projections on ongoing revenues, such as sales tax and gambling tax, to gauge how these revenues are matching or exceeding original 2021-2022 Budget expectations. There are also one-time revenues that staff will be tracking, such as possible Streamlined Sales Tax funds which may be allocated during the current state legislative session.

State Funding - Streamlined Sales Tax (SST) Mitigation Funds

HB 1521 would restore the SST funding program until 2026, which was approved by the legislature in 2020 but vetoed by the Governor due to the pandemic and associated

revenue losses. There is an effort to add funding to the supplemental budget to replace funding lost during the current state fiscal year, which would result in Tukwila receiving just under \$900,000 on May 1, 2021 if the effort is successful. While previously the SST funds were dedicated to the Public Safety Plan, staff removed that funding source from the plan when the Governor vetoed SST in 2020.

HB 1521 passed and was signed by the Governor and will go into effect July 1, 2021. The initial amount for the City would be just over \$880k and would be decreased by 20% each year on July 1. The funding expires on July 1, 2026. Payments would be quarterly and we could expect, to receive the first payment on July 1 of this year. What is unclear at this writing is whether the supplemental budget will include funding for the lost SST mitigation payments in FYI 21, though staff and our state lobbyist remain hopeful this will happen. With the session expected to end on April 25, staff will bring updates to this information at the Committee meeting.

Federal Funding - American Rescue Plan

On March 10, 2021, a \$1.9 trillion relief package, known as the American Rescue Plan, was approved and provides funding in several areas including state and local aid, education, rental assistance, and transit. At this time, it appears that the City of Tukwila will receive \$4.43 million in one-time funds. It appears that half of the funds would be distributed 60 days after enactment and the remaining balance one year later. Because we are considered a nonentitlement city, we will receive the funds from the State rather than the federal government. It is unclear how quickly the State will release the funds to the City. Funds must be spent by December 31, 2024. These funds are not reimbursement for COVID-related costs, and therefore can be used in a variety of ways.

From what we know today, the funds can be used in the following ways:

- To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and non-profits, or to aid impacted industries such as tourism, travel, and hospitality.
- Provide premium pay to eligible workers that are performing essential work.
- Provision of government services to the extent of the reduction in revenue due to the pandemic relative to revenues collected in the most recent full fiscal year.
- Make necessary investments in water, sewer, or broadband infrastructure.

The funds cannot be used to directly or indirectly offset tax reductions or delay a tax/tax increase. Nor can funds be deposited into any pension fund.

As new information becomes available, updated information will be provided.

Other Funding for the Tukwila Community

On February 19, 2021 Governor Inslee signed the state COVID relief bill that provides \$2.2 billion in funding that has the opportunity to assist the Tukwila community, including:

- \$714 million in assistance for K-12 schools
- \$618 million for public health's response to COVID, including testing, investigation and contact tracing; and funding for vaccination efforts

- \$365 million for emergency eviction, rental, and utility assistance
- \$240 million for business assistance grants
- \$50 million for childcare
- \$26 million for food banks and other food programs
- \$91 million for income assistance, including \$65 million for relief for the state's immigrant population

The American Rescue Plan includes a variety of opportunities that can assist the Tukwila community, including:

- Direct stimulus payments to qualifying households of \$1,400 per person to single households making \$75,000 or less and couples earning \$150,000 or less. Individuals with dependents will also receive a \$1,400 tax credit per dependent on their 2020 tax returns.
- Enhanced unemployment payments of \$300 per week.
- Temporary child tax credit and monthly payments to qualifying households.
- \$7.25 billion in additional Paycheck Protection Program (PPP) loans for small businesses.
- \$128 billion in support for educational institutions.
- Additional support for the most vulnerable, including more funds for Low Income Home Energy Assistance Program (LIEHEAP) for utility assistance, temporary increase to WIC funds and more.
- \$25 billion for emergency rental assistance.
- \$65.1 billion for cities.

This memo and discussion are intended to begin the conversation so that committee members have a shared understanding of the service level decisions made in the 2021-2022 budget process and begin to plan for future decision making as revenues return.

At the March 22, 2021 Committee meeting, departments were asked to summarize service level reductions, impacts of these reductions, and cost to restore the services. The chart below summarizes budget reductions by department and have been adjusted to remove budget for large, one-time capital projects. Total departmental budget reductions is in excess of \$3.9 million. With the restoration of SST funding, certain high priority services could be funded almost immediately. If the missed FY 2021 SST mitigation payment makes it into the supplemental budget, the City could bring back \$1.2M in services immediately. (This is because the missed FY 21 SST payment would be a one-time payment of \$880k, then the City will receive two quarterly payments of \$220,000 each in the remainder of 2021.) Details by department are included as an appendix to this memo.

GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

EXPENDITURES BY DEPARTMENT	BUDGET			COMPARISON OF BUDGETS	
	2019	2020	2021	2020 BUDGET VS 2021 BUDGET \$ change	% change
01 City Council	432,111	445,312	363,618	(81,694)	-18.3%
03 Mayor's Office	2,464,080	2,550,951	2,104,126	(446,825)	-17.5%
04 Administrative Services	4,983,869	5,233,173	4,984,464	(248,709)	-4.8%
05 Finance ¹	2,671,192	2,802,249	2,549,858	(252,391)	-9.0%
07 Recreation	5,069,562	5,177,441	4,260,543	(916,898)	-17.7%
08 Community Development ^{2,4}	3,784,889	3,861,831	4,069,943	208,112	5.4%
09 Municipal Court	1,298,228	1,345,060	1,272,888	(72,172)	-5.4%
10 Police	19,431,073	19,390,720	18,286,665	(1,104,055)	-5.7%
11 Fire ^{3,4}	12,796,287	13,061,272	12,706,860	(354,412)	-2.7%
13 Public Works ^{2,4}	7,741,440	7,264,801	6,584,325	(680,476)	-9.4%
Subtotal	60,672,731	61,132,810	57,183,290	(3,949,520)	-6.5%
20 Dept 20	6,139,961	8,269,140	5,462,760	(2,806,380)	-33.9%
Total Expenditures	66,812,692	69,401,950	62,646,050	(6,755,900)	-9.7%

¹ Finance budget for 2021 reduced by \$500k to remove one-time budget for ERP system

² Budget for permit staffing moved from PW and Fire to DCD for one-stop permitting

^{2,3} Fire budget for 2019 & 2020 reduced by \$200k each year to remove one-time budget for Knox box project

⁴ A total of 4 positions were moved from Public Works and 1 from Fire to DCD for one-stop permitting

Committee members also asked for a list of frozen positions. The list includes frozen positions only and does not include a list of currently budgeted but unfilled positions.

Frozen Positions		
Department	Position	Salary /Benefits
Admin Svcs	TIS Director	200,000
Parks	Maint & Ops Superintendent	160,000
DCD	Code enforcement Officer	120,000
	Associate Planner	120,000
	Admin Support Tech	105,000
Municipal Court	0.75 Admin Tech	105,000
	0.75 Jail Alternative Specialist	130,000
Police *	Community Liaison Officer	170,000
	Anti-Crime (TAC)	176,000
	Anti-Crime (TAC)	176,000
	Sergeant (Investigations)	196,000
	Detective (Investigations)	175,000
	School Resource Officer	175,000
	School Resource Officer	175,000
Public Works	Maint Tech (Street)	110,000
	Maint Tech (Street)	110,000
	Facilities Maint Tech	110,000
		2,513,000

* Includes cost of supplies to outfit personnel

Total number of frozen positions - 17

Recommended Path Forward

Staff is recommending that Council consider addressing restoration of service levels in three phases.

Phase one would utilize sales tax mitigation payments expected to be received beginning July 1, 2021 and targeted to those items that would:

- **1. Provide the most direct impact to improving the quality of life for our community**
- Streets and Parks Maintenance to keep parks clean and respond to concerns about garbage, litter, and graffiti.
- **2. Revenue backed services** – The Consolidated Permit Center is handling an increased demand for permits which are supported by fees.
- **3. Services which have been contractually required** Including agreements with the Teamsters and IAFF Local #2088 for Fire Overtime.
- **4. Critical services which should be restored** – This includes restoring some necessary services, such as cybersecurity contracts in Technology Information Services.
-
- These funds would be used as a bridge until operating revenues return to pre-pandemic levels and fund the following priorities:

Priority	Funding Needed
Fire Overtime*	200,000
Permit Activity	125,000
Street/Bus Stop Maint.	167,500
Parks Maint.	80,000
Rec Program Assistance	50,000
DarkTrace - Cyber Security	25,000
Teamster's Contract	140,000
Total	787,500

*Estimate

Phase two would utilize American Rescue Plan funds for one-time projects including capital projects. Since funding will be received in two tranches and can be spent through December 31, 2024, there is time to be thoughtful about which projects to fund. Some one-time budget priorities have already been identified and are as follows:

- Upgrading equipment in the Council chambers to allow for both in-person as well as virtual participation in city Council meetings and workshops.
- Adding internet access to neighborhoods underserved by existing internet options.
- Funding additional human services and/or small business programs and outreach.
- Funding to design and possibly purchase property for a youth/senior center.
- Economic Development Plan
- Other one-time services such as studies, plans or designs.

Phase three would address increasing ongoing service levels once revenues exceed budget and have stabilized at predictable levels.

RECOMMENDATION

Forward to the May 10, 2021 Committee of the Whole for full Council discussion and consensus on Phase I proposal.

Appendix – Departmental Service Reduction Details

City Council:

The City Council reduced travel, conferences, and training support and other supplies.

Mayor:

The Mayor's department reduced service levels in several ways. One of the significant cuts was to the Commute Trip Reduction Program, an employee incentive program that provided employees an ORCA card for use of transit or monetary incentives for use of alternate modes of transportation (carpooling, walking, biking etc.) This program cut was in addition to the furloughs and pay reductions employees took in 2020.

The SeeClickFix program was also eliminated, which provided the general public with a convenient tool to notify City staff of concerns in and around the City. Reinstatement of SeeClickFix would cost considerably more than what the City had previously paid. The City is looking at the possibility of utilizing TRAKiT as a community response tool.

Training registrations and travel budgets were also significantly reduced limiting the ability to attend conferences and other relevant training opportunities. Funding was also removed for employee recognition, survey initiatives and sponsorship of chamber events.

In the Economic Development Division, part time staffing was eliminated and other services were reduced which limits research and attracting development. Currently, there is no budget to create an economic development plan. Funding for an economic development plan would enable the City to hire outside expertise, increase the Plan's scope, and significantly expand community outreach in the development of the Plan.

Administrative Services:

All extra labor has been eliminated from this department. The direct impact is on the turnaround time for public records requests. Additionally, staff has taken on additional work that was performed by extra labor staff, resulting in slower turnaround time on contracts and other documents and services in the City Clerk's office and continued degraded services in TIS.

Funding for the Community Connectors program has also been removed. The program has been on hiatus since 2019 due the partner agency's lack of capacity. Staff would bring the program back but it would look a bit different. Once change is that no outside resources would be utilized.

Funding was also removed for training which inhibits staff the ability to access new best practices. Professional services was reduced which results in less funds for city-wide trainings and other human resources related programs such as investigations and labor-management support.

TIS has one position frozen. In addition, reductions in capital expenses, professional services, training, travel, and supplies were taken. Some of these, such as reduction in Seamless Docs and Sharegate services will have impacts on all departments.

Finance:

The Finance department budget was reduced in several ways. Extra labor assisted with front desk coverage for lunch breaks and vacations as well as filing, scanning, and other office support tasks. Staff has had to absorb additional duties and further impact will be felt by the community when City Hall reopens to the public in longer wait times to process utility and other payments during lunches and vacations.

Training has also been significantly reduced. Only essential training will be allowed and the limited budget must be shared between 12 staff. Additional training budget would allow staff to keep current on accounting and payroll law changes as well as best practices.

Claims & judgements as well as professional services were reduced. All non-essential contracts were cancelled and there is no plan to ask for them to be reinstated at this time. Claims & judgements budget was reduced to reflect prior year actuals. This is one area that the City has no control over. If total claims for the year exceed expectations then a budget amendment could be necessary.

Recreation and Parks:

For Recreation, Camp Tukwilly and Teen Venture Camp are currently high on needed programs list for our community, before & after school programing will become a high need this fall. Extra Labor staff are needed to provide the programs and services in order to maintain appropriate staff to participant ratios.

Other programming costs were removed from the budget due to COVID-19 limiting in-person gatherings. Once restrictions are removed, a number of other programming events should be considered for funding.

Parks Maintenance and Operations Superintendent position is currently frozen.

Community Development:

One of the two general Code Enforcement Officer positions and one Administrative Support Technician have been frozen. There are currently 174 active enforcement cases, 6 pending appeals, and 4-8 cases pending abatement review. Some of these cases involve life safety issues such as unauthorized fill destabilizing steep slopes and unpermitted construction including electrical wiring, gas piping, and structural additions to occupied houses.

The rental housing program has 1,700 units due for rental inspection with the backlog due to COVID related concerns about entering occupied spaces during the pandemic. With current staffing we will have to require that property owners hire private inspectors or we will need to waive most of these inspections as a single officer cannot work through the backlog while keeping up with the inspections required in the current year. If we had the third officer that person could be temporarily assigned to rental inspections.

Other impacts of the staffing reductions include longer response times, longer violation resolution times, limited scope of enforcement, and overall fewer site

visits/inspections. The abatement fund has been cut in half so there is less capacity to pursue abatements through 2022.

Without a full-time dedicated Administrative Support Technician, Officers will also be taking on additional support functions which will further impact the performance bandwidth of the team and reduce the overall time available to Officers for active enforcement activities such as field work.

Municipal Court:

The Court currently has two frozen positions; one full-time and one ¾ time. While the Court has been closed to the general public due to the pandemic, service levels have been maintained. However, service levels will be impacted when the Court reopens to the public. At this time there is a projected slow reopening scheduled to begin the first week of May 2021. When the Court welcomes the public back into the facility, security will need to be restored. It will be difficult to maintain the current level of service once the Court fully reopens to the public without filling the frozen positions. The Court also anticipates an increase in filings once the school zone photo enforcement is implemented. It is our intent to hire staff to support this new program. We will need to hire new staff in August to allow efficient time for training and preparation for this increased service.

Police:

The Police Department's budget reductions come primarily from five areas/programs:

1. Refugee/Homeless outreach: the freezing of one Community Liaison Officer position cuts that team in half. The primary function of this two-person unit is to engage with the City's refugee and homeless community members and to provide them with necessary services. This includes building relationships with Houses of Worship, the Refugee Center, Homeless Camp Leaders, and disadvantaged community members requiring assistance.

2. Human and Drug Trafficking Investigations: our budget reduction includes the freezing of two Tukwila Anti-Crime (TAC) team FTEs. This will result in drug and human trafficking investigations progressing more slowly and cases being filed at a reduced rate. For undercover operations, the TAC team will need to rely on the CPT units to back-fill for security and observational duties.

3. Felony and Juvenile Case Investigations: the budget reduction plan includes the freezing of one Sergeant and one Detective FTEs within our Major Crimes Division. This will result in decreased oversight/leadership (Sergeant) as well as a higher threshold for case filings and investigations into property crimes. We will not allow this to impact any investigation involving physical force or crimes against persons but felony crimes against property may take longer to investigate/file and will not receive as much attention as they would if the team were fully staffed.

4. Tracking K9 Program: the elimination/freezing of this program means that we will have to continue to rely on other jurisdictions to provide a K9 to track felony/Domestic Violence suspects. This also means that our units will have to wait while the OSA unit responds, giving the suspect more time to flee or gain access to a vehicle or other victims.

5. School Resource Officer Program: while budget reduction requires the temporary re-assignment of our School Resource Officers, the Tukwila Police Department will continue work cooperatively with our schools to provide security to Tukwila's students, faculty, and administrators while also maintaining relationships with students and their organizations.

Fire:

A staffing adjustment has been made for 2021 to staff one shift at 17. The other two shifts will continue to staff at 18. Demand for services from the Fire Department were reduced because of pandemic affects. This caused a reduction in minimum staffing from April 1, 2020 to April 1, 2021, from 13 to 12 firefighters on duty each shift. Pre-pandemic service demands are returning to Tukwila. Travel budget line for education has been reduced and other supply services line items were reduced. Training budget was reduced. Specialty services have been adjusted. Overtime budget for the Fire Marshal's Office was reduced. There will be a delay in projects and requests for records from the community.

Public Works:

There are currently 2 frozen positions in the Street division, both are maintenance technicians. Additionally, there is no budget for seasonal labor. The impacts to the community include less frequent cleaning of bus stops and graffiti cleanup, large item trash pick-up, homeless encampment cleanup, and mowing and upkeep of medians and grass in rights-of-way. In order to hire seasonal staff, which would increase these service levels during the mowing season, the full-time positions should be unfrozen.

In addition to the frozen positions in the Street division, the budget for snow & ice removal is only \$10k. The snow even that occurred earlier this year cost \$33k to maintain the streets. Given that the budget for snow events is inadequate, a budget amendment will most likely be required.

One facilities maintenance technician is also frozen. Regular maintenance of existing facilities is now done on a delayed scheduled. Responding to the TCC and other facilities occupied by City staff and visited by the general public is a priority and needs attention. Additionally, new facilities are now online and require additional staff time to maintain.



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

BY: Aaron Williams, Fiscal Manager

CC: Mayor Ekberg

DATE: April 26, 2021

SUBJECT: February 2021 Departmental Budget-to-Actuals Report

Summary

The purpose of the February 2021 General Fund Financial Report is to summarize for the City Council the general state of departmental expenditures and to highlight significant items. The following provides a high-level summary of the departmental financial performance.

The February 2021 Report is based on financial data available as of April 16, 2021, for the period ending February 28, 2021. Additional details can be found within the attached financial report.

Expenditures

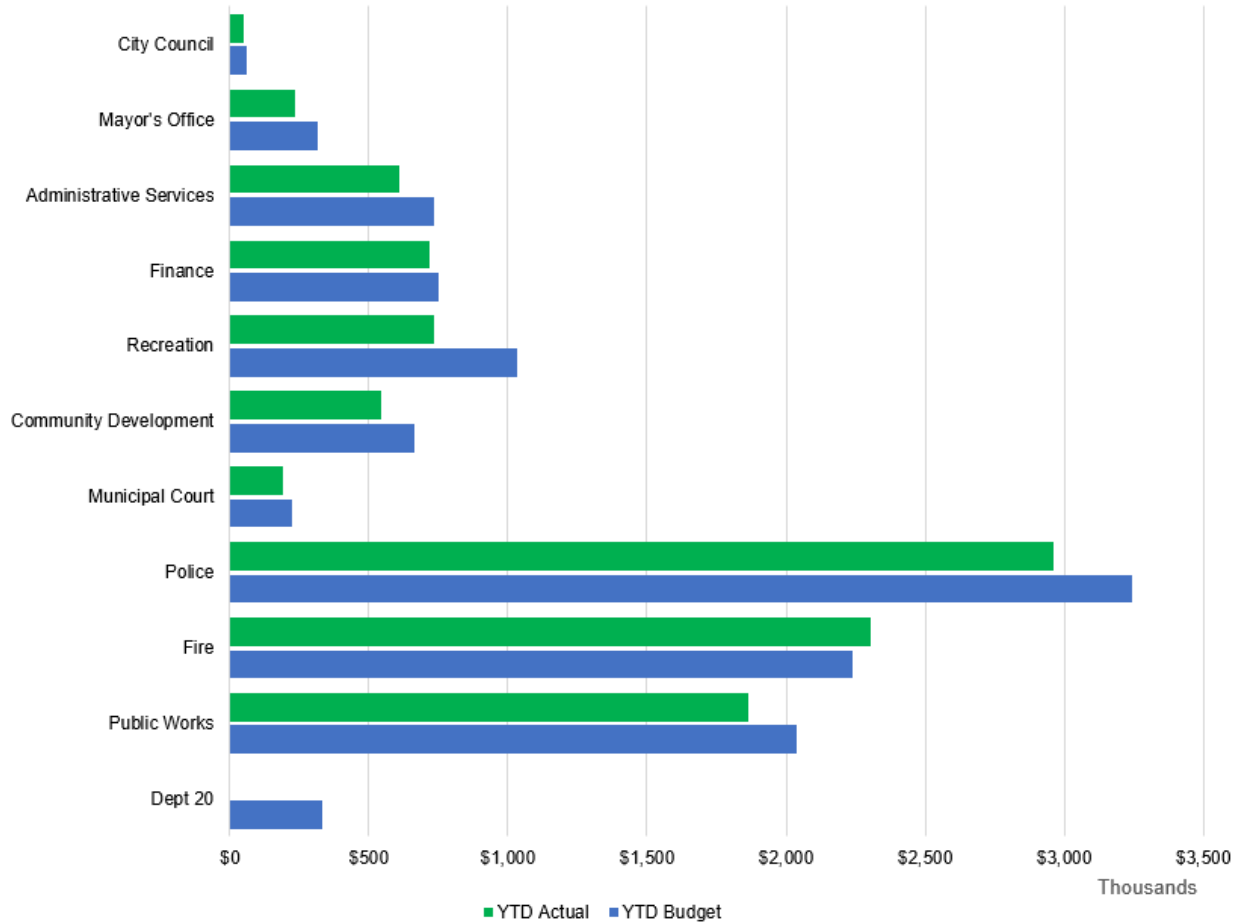
General Fund expenditures totaled \$10.2 million through February, which is \$1.4 million less than the allocated budget of \$11.6 million. The allocated budget is calculated to reflect year-to-date spending patterns of the previous year.

Departmental Variances

All but one General Fund department was under their allocated budget through February 2021. Noteworthy variances are:

- The Fire Department is \$70 thousand over the allocated budget of \$2.2 million. The variance is related to slightly higher salaries, overtime & benefits compared to the allocated budget.

Year to Date Department Expenditures Compared to Allocated Budget Through February 2021



GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of February 28, 2021

EXPENDITURES BY DEPARTMENT	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
01 City Council	363,618	59,188	59,842	56,635	52,748	(6,440)	15%	-5%	-7%
03 Mayor's Office	2,104,126	317,932	300,574	340,470	237,228	(80,704)	11%	13%	-30%
04 Administrative Services	4,984,464	736,428	610,631	633,783	611,807	(124,621)	12%	4%	-3%
05 Finance	3,049,858	750,568	680,306	659,862	716,956	(33,612)	24%	-3%	9%
07 Recreation	4,260,543	1,030,914	819,563	872,305	734,533	(296,381)	17%	6%	-16%
08 Community Development	4,069,943	665,262	530,659	540,082	545,340	(119,922)	13%	2%	1%
09 Municipal Court	1,272,888	222,477	192,182	226,492	191,974	(30,504)	15%	18%	-15%
10 Police	18,286,665	3,243,702	3,176,565	3,130,137	2,958,804	(284,898)	16%	-1%	-5%
11 Fire	12,706,860	2,236,218	2,271,472	2,258,453	2,306,633	70,415	18%	-1%	2%
13 Public Works	6,584,325	2,035,169	1,943,686	1,914,212	1,861,505	(173,664)	28%	-2%	-3%
Subtotal	57,683,290	11,297,857	10,585,479	10,632,431	10,217,528	(1,080,329)	18%	0%	-4%
20 Dept 20	5,462,760	334,833	1,350,000	-	-	(334,833)	0%	-100%	-
Total Expenditures	63,146,050	11,632,691	11,935,479	10,632,431	10,217,528	(1,415,163)	16%	-11%	-4%

Percent of year completed 17%

GENERAL FUND

CITY OF TUKWILA

GENERAL FUND EXPENDITURES

Year-to-Date as of February 28, 2021

SALARIES AND BENEFITS	BUDGET		ACTUAL			COMPARISON OF RESULTS				
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE		
								2019/2020	2020/2021	
11 Salaries	28,723,860	4,958,547	4,608,338	4,854,409	4,627,109	(331,438)	16%	5%	-5%	
12 Extra Labor	347,528	189,227	97,922	87,937	859	(188,368)	0%	-10%	-99%	
13 Overtime	1,218,115	220,753	272,001	231,013	285,145	64,392	23%	-15%	23%	
15 Holiday Pay	515,500	2,425	3,891	1,853	2,560	135	0%	-52%	38%	
21 FICA	1,872,655	333,127	296,589	308,206	285,570	(47,557)	15%	4%	-7%	
22 Pension-LEOFF	899,828	133,504	139,809	143,287	139,099	5,594	15%	2%	-3%	
23 Pension-PERS/PSERS	1,631,377	292,126	284,940	298,079	269,506	(22,620)	17%	5%	-10%	
24 Industrial Insurance	875,820	181,851	162,267	187,406	171,478	(10,373)	20%	15%	-8%	
25 Medical & Dental	6,904,119	1,124,210	943,627	1,052,869	1,035,803	(88,407)	15%	12%	-2%	
26 Unemployment	-	-	-	6,681	-	-	-	-	-	-100%
28 Uniform/Clothing	8,525	338	235	239	667	330	8%	2%	179%	
Total Salaries & Benefits	42,997,327	7,436,108	6,809,618	7,171,980	6,817,795	(618,313)	16%	5%	-5%	

SUPPLIES, SERVICES AND CAPITAL	BUDGET		ACTUAL			COMPARISON OF RESULTS			
	2021 ANNUAL	2021 ALLOCATED	2019	2020	2021	Allocated Budget vs Actuals OVER/(UNDER)	% EXPENDED	% CHANGE	
								2019/2020	2020/2021
0 Transfers	5,462,760	334,833	1,350,000	-	-	(334,833)	0%	-100%	-
31 Supplies	1,055,711	162,390	226,085	119,784	87,659	(74,731)	8%	-47%	-27%
34 Items Purchased for resale	13,000	10,000	-	235	19	(9,981)	0%	-	-92%
35 Small Tools	66,450	13,267	4,528	14,946	8,560	(4,706)	13%	230%	-43%
41 Professional Services	5,439,071	681,822	601,856	583,457	413,995	(267,827)	8%	-3%	-29%
42 Communication	481,810	77,135	57,908	60,954	59,215	(17,919)	12%	5%	-3%
43 Travel	83,196	44,950	22,886	21,946	636	(44,314)	1%	-4%	-97%
44 Advertising	34,750	3,662	1,539	3,840	521	(3,142)	1%	149%	-86%
45 Rentals and Leases	2,166,137	290,375	468,793	203,306	344,328	53,954	16%	-57%	69%
46 Insurance	1,030,329	1,023,022	883,280	980,935	1,107,054	84,032	107%	11%	13%
47 Public Utilities	1,991,445	1,179,433	1,069,128	1,135,213	1,151,595	(27,838)	58%	6%	1%
48 Repairs and Maintenance	651,669	64,780	191,581	100,436	95,432	30,653	15%	-48%	-5%
49 Miscellaneous	1,153,730	224,469	248,275	235,399	130,718	(93,751)	11%	-5%	-44%
64 Machinery & Equipment	518,665	86,444	-	-	-	(86,444)	0%	-	-
Total Operating Expenses	20,148,723	4,196,583	5,125,861	3,460,451	3,399,733	(796,850)	17%	-32%	-2%
Total Expenses	63,146,050	11,632,691	11,935,479	10,632,431	10,217,528	(1,415,163)	16%	-11%	-4%

Percent of year completed 17%

